The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Mei Lan-fan and His Trip to the United States

By Paul K. Whang

How The Soviet Put It Over In North Manchuria!

EDITORIAL

Silver Price and the Business Upset

Dairen's Wealthy Chinese Colony

Americans, Unitians, Usarians, or What Have You; Nanking Refuses Renewal of Cable Contracts; Task of the Kemmerer Commission; Complete Soviet Version of Sino-U. S. S. R. Preliminary Agreement; The Two-Sworded Warder of the Turbulent East, by Frederick Palmer; How Much is the Mexican Dollar Worth, by Maxwell S. Stewart; Industry and Labor in Wusih, by Fang Fu-an; The Mutiny at Macao, by S. Y. Leung.

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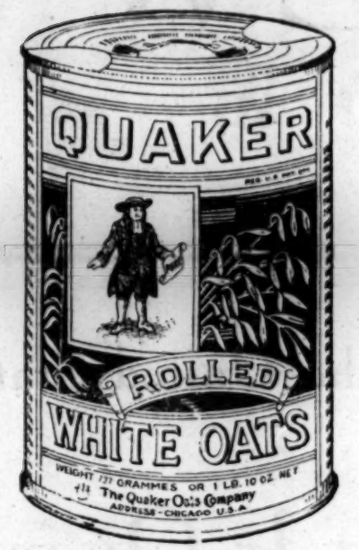

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NANKING REFUSES RENEWAL OF CABLE CONTRACTS

IT WAS INEVITABLE that the Chinese Government should refuse renewal of the monopolistic contract with the foreign cable companies, which, for so many years has had the effect of stifling communication between China and foreign countries. According to an article by Chuan Chi-huan, director-general of telegraphs and telephones in the Ministry of Communications, the National Government has notified the Great Northern, Eastern and Commercial Pacific Companies that their contracts which expire at the end of this year, are not to be renewed. In the meantime the Ministry of Communications is trying to raise a $10,000,000 loan for the purpose of liquidating the Government's debts to the Great Northern Company and possibly for the purpose of purchasing the physical properties of the cable companies on Chinese soil. Also it was stated that the Government is rushing work on high-power radio stations at Shanghai, Nanking, Tientsin, Hankow and Canton, so that if necessary it will be able to handle all external communications by radio in the event it is necessary to close down the cables.

While the directors of the foreign cable monopoly are probably telling the Chinese that the action in terminating the contracts, shows little appreciation for the work of the cable companies in establishing communications between China and the West, originally, this will arouse little sympathy in Chinese circles because of the arrogant attitude which the cable companies always have pursued toward the Chinese—and also toward the foreign commercial communities on Chinese soil. The cable monopoly has operated on the principle of charging all the traffic would bear and then a little more and while the cables have paid handsome dividends, their practices, as stated, have had the effect of stifling rather than facilitating communication between China and foreign countries. Furthermore, they have done everything possible to block the development of radio communication between China and other countries, particularly between China and the United States. For practically a dozen years, by using methods which probably would not bear too close investigation, they blocked the Peiping Government's plans to develop radio communication. Another place where the policies of the cable companies have been reprehensible is in connection with secrecy pertaining to messages, it now being well known that the officials of a certain European

Government have the right to inspect any message sent over the cables. This has been a powerful diplomatic and trade weapon, which undoubtedly has been invoked on occasion to stifle trade competition as well as keep subject peoples in subjection.

It only has been in very recent times that the cable companies have begun to give any real service to the public and even now it is an awkward gesture forced upon the companies by radio competition as well as a knowledge that the Chinese Government probably would not renew the contracts. The die-hard attitude toward the Chinese and the public generally has been too deeply ingrained to be changed overnight, hence the awkwardness of the present attempt to treat the public as though its patronage was appreciated. What is likely to result from the present negotiations is impossible to say, but the Chinese should be satisfied with nothing short of complete control of the cable landings, offices and installations located on Chinese soil. These properties should, of course, be purchased, rather than confiscated, but obviously the Chinese Government should not stand for any "hold-up" methods which the cable monopoly is likely to attempt to enforce. Also the Government should take steps to guard itself against certain underhanded methods which the cable companies are alleged to have used in connection with certain secret deals made with the old Peiping Government. The matter of external communications is a vital element in any country and a place where complete and unrestricted sovereignty must be exercised. While China is not in a financial position to build her own cable system, she is in a position to develop modern radio communication and she also is in a position to enforce her own terms on the question of renewal of the cable contracts, and as stated, China should be satisfied with nothing short of complete and unrestricted control of the cable landings and office and other physical properties located on Chinese soil. This is a principle which all sovereign countries have followed and China should be satisfied with nothing less than a complete restoration of her sovereign rights on this question.

A *Reuter* report from Nanking on Jan. 8 stated that the Commercial Pacific Cable Company, which has American registration, had notified the National Government that a representative would be sent to Nanking to consider the matter of negotiating a new agreement, this action on the part of the American company indicating the possibility that it had withdrawn from the so-called British-Danish cable trust which had monopolized China's international communications for many years. The report stated that neither of the other companies, that is, the Great Northern or the Eastern Extension Telegraph Company, had responded to the invitation of the National Government to send representatives to the Capital to discuss the matter of making new contracts.

Drop in Silver Price Upsets China Business

MERCANTS in China, both foreigners and Chinese, are watching the financial horizion with anxious eyes. The price of silver has reached even greater depths than it did in 1902, and almost daily the prices continue to drop still further, so that a silver dollar at present is worth only about 35 American cents instead of close on to half a dollar, which was the general exchange value up until about a year ago. There are some who predict that silver may drop until it will take three and a half Mexican dollars to equal an American dollar; that is, a Mexican dollar would be worth less than thirty cents American. With silver at a level below any that has been known for a quarter century and with prospects of a still further drop the entire business machinery of China is in chaos. There are even some that predict that the currency of China, which is on a strictly silver basis, may go the same road as did the German mark or the Russian rouble. However, there is not a great likelihood of such an eventuality occurring here, as conditions are considerably different. For one thing there is no really unified paper money system in China, and, so far, the number of notes issued by the Central Bank of China, which is a government-supported institution, is small compared with the large amount of notes issued by private banks. In Manchuria where paper money known as *feng piao* and *tiao* was issued by the late warlord Chang Tso-lin, and forced upon the populace at the point of the pistol, the spectacle was to be witnessed of these notes becoming almost of as little value as roubles or marks, but Manchuria is only a part of China, and the *feng piao* debacle had little, if any, reaction on the financial situation in this part of the country.

The present slump in the price of silver is causing such an upheaval in Chinese business, among other things greatly increasing the cost of living, that Chinese financiers are actively discussing methods to secure amelioration. When one investigates the subject one sees that the price of silver is governed by the same laws as other commodities, and in China silver, even as money, is to be considered merely as a commodity. The present political troubles are aggravating the silver decline but they are not primarily responsible for it. The experts are not all agreed as to the prime cause of the low price of the white metal, nor are they all agreed as to what remedy China would find the most beneficial. One well known expert, probably more in jest than in earnest, has suggested that the best remedy China has at her disposal is to take say ten thousand tons of the huge hoards of silver that are lying idle in Shanghai vaults, put it on board a ship, take it out into deep water and sink it. Probably he is correct in saying that the profits to be made by the government from the increased price of silver that would ensue from taking out of the market such a huge block would be more than sufficient eventually to make up the temporary loss. Certain it is that the same plan has been made use of by large operators in America and other countries, where in past years one has heard of shiploads of bananas and carloads of potatoes

being deliberately dumped into the sea, or otherwise destroyed, with the sole purpose of keeping up the price. If bananas, why not silver?

Looking for the causes of the silver slump it would appear that one of the main reasons is that the Chinese populace is becoming accustomed to use paper instead of hard money. China is by no means the silver market now that it was in previous years. Another reason is the repercussion of the slump in American business following the crash in Wall Street several months ago The natural result of the lower silver prices would be that there would be a splurge of exporting from China to the United States, in common with other foreign countries as the prices of Chinese commodities figured out from a silver basis to gold, makes prices, from an American point of view, very attractive. But, unfortunately, the American manufacturers are not buying to any great extent, no matter how attractive prices may be. If times in America were on the same basis they were six months ago the silver market would tend to stabilize itself through the natural process of the increased silver credits that would be opened in this country. But for the monent, at least, the credits are not coming.

The Chinese government, if it were organized on the same strong basis as is Japan, might do a great deal towards helping silver, by forcing off the markets the great quantities of paper which are now in circulation, and get silver into circulation once more. Government remedies while effective as a temporary palliative, usually however prove very expensive, an example of it being America's purchases of silver during the war years in order to stabilize the dollar. The end in view was achieved, but at a huge expense.

One of the main effects of the low price of silver, so far as Shanghai is concerned, has been to stimulate real estate and building operations. Never has Shanghai seen such a building boom as during the past year, and almost the same may be said of real estate. One of the main reasons for this has been that investors, seeing that the gold purchasing price of their money has been greatly decreased, have decided to put their money into land, concrete, steel and stone. Despite the approaching inevitable total abolition of extraterritoriality and with it the rendition of Shanghai to the Chinese, foreigners and Chinese alike have been investing heavily.

Financial authorities who have studied China's currency problem have at various times recommended the adoption of the gold standard for China. This is, incidentally, one of the recommendations of the Kemmerer Commission. But a gold standard is by no means an infallible panacea for financial ills as was well illustrated during the European war, and later, when a dozen or more countries who had gold standards found their financial systems, to use a slang expression, shot to pieces, whereas with its cumbersome silver ingots China found itself in the most enviable situation that it has experienced for many, many years. Never was silver so high and never was the Chinese (Mexican) dollar of so much value as it was during and after the war. Indeed there was time when the American dollar could be bought in Shanghai for eighty Mexican cents. That was only a little over a decade ago. In other words the present situation means there has been a fluctuation of three hundred per cent.

The silver situation has reached such a stage as to become a subject of general discussion everywhere throughout the world. An *Associated Press* dispatch from New York January 4 contained the following statement: "The continued weakness of silver is believed to reflect the holdings of a large speculative pool in China." Enquiry among Chinese bankers here elicits the emphatic reply that said statement is absolutely untrue. However one can hardly believe that such violent fluctuations as have taken place during the past decade or so in silver can occur without artificial stimulation or repression somewhere, and if the speculative pool is not at work in China it probably is operating somewhere else. On previous occasions holders of forward exchange contracts have been shaken down heavily, and when those violent fluctuations have occurred it was generally understood that they were due to manipulation. It is quite probable that the same sort of thing is going on now and that when the psychological moment comes the manipulators will bring the price of silver up again with a jerk, just as happened in the past.

How The Soviet Put It Over In North Manchuria!

IMMEDIATELY after the outbreak of the trouble over the administration of the Chinese Eastern Railway in North Manchuria last summer, the Soviet Government appointed General Blucher in command of the Far Eastern Red Army and established his headquarters at Habarovsk. General Blucher was none other than the Soviet citizen, General Galen, who had served as adviser to Gen. Chiang Kai-shek and other Nationalist leaders in the advance from Canton to the Yangtsze Valley in 1926 and 1927. Gen. Galen knew China and Chinese politics from first hand exeprience; particularly he knew Nationalist China politics with all of the weaknesses and rivalries of Nationalist officialdom. Then in the Soviet Foreign Office at Moscow was Mr. Karakhan, former Soviet Ambassador in Peiping. Karakhan was kicked out of North China by Marshal Chang Tso-ling, hence he knew the politics of North China like a book and particularly well did he know Manchurian politics with its weaknesses and rivalries on the part of the so-called "old" and "new" Mukden cliques. Then there was Borodin, the Americanized Russian Jew, who had been political adviser to the Nationalist Government at Canton and later on at Hankow. When the Soviet Government realized that serious trouble was impending with China, Mr. Borodin was appointed manager of the Soviet official *Tass* news agency which spreads Soviet news and propaganda throughout the world.

With this triumvirate, Galen, Karakhan and Borodin, in positions of authority controlling and directing the Soviet army, diplomacy and Soviet propaganda, the Soviet Government was in a position for war with China, an old-fashioned war or a new-fangled Kellogg Pact War. And in addition to their knowledge of China, Chinese politics and Chinese officialdom, these three men, Galen, Karakhan and Borodin, had special reasons for

RECENT AMERICAN AND BRITISH CARTOONS ON SINO-RUSSIAN CRISIS

COME, NICE BIRDIE, BACK IN YOUR CAGE
—Duffy in the Baltimore *Sun*

THAT RUSSIAN FLY AGAIN
—*The Irish Weekly Independent* (Dublin)

THE RUSSIAN BULL IN THE CHINA SHOP
—*The Western Weekly Mail* (Cardiff)

A REAL JOB FOR THE PROFESSOR
—Duffy in the Baltimore *Sun*

disliking the present rulers of China. Galen and Borodin had been forced to relinquish profitable positions as advisers with the Nationalist Government in 1927 largely because of the actions of General Chiang Kai-shek and his associates in the National Government, and Karakhan had special reasons for disliking the present rulers of Manchuria. In other words here was a heaven-sent opportunity for evening personal scores that had nothing whatever to do with the political principles of the Russian Communist Party of which these three prominent Russians are members. And while on the subject of Communist Party Principles, it is supposed to be one of the leading tenets of the Soviet political faith that there were to be no further acts of Russian aggression toward China. Shortly after coming into power the Soviet renounced its extraterritorial privileges and surrendered all claims to the Russian share of the Boxer Indemnity. Two telegrams were sent to China offering to surrender the Russian constructed and controlled Chinese Eastern Railway to China. The three leaders mentioned above, Galen, Karakhan and Borodin, but particularly Karakhan and Borodin, never failed to emphasize Russia's altruistic intentions in respect to China. A widespread and damaging propaganda was directed against the unequal treaty position and so-called "special rights" of the other Powers in China, particularly America, Britain, Japan and France. That this propaganda was effective requires no emphasis at this time. Largely due to the bone-headed policies of the so-called Treaty Powers and particularly the asinine attitude of European residents in China and especially the foreign press in China which had almost unanimously opposed China's demands for treaty revision following the Washington Conference, the Soviet propaganda gained many adherents among all classes of the Chinese. Chinese of high and low degree were convinced that Soviet Russia was China's only friend and that the only way out to complete sovereignty and international independence in the family of nations was for China to link up with Soviet Russia in a red revolutionary effort that would throw the foreigner out of China bag and baggage. These were the doctrines that Borodin and Karakhan and their agents throughout the country constantly preached and it was this propaganda that led up to the murderous attack on foreigners in Nanking in 1927 which had two objects in view: the provoking of the Powers into a policy of armed intervention and the discrediting of the right wing in the Kuomintang which had, for some time, been growing cold on the matter of Sino-Russian cooperation. When President Coolidge refused the Soviet intervention bait planted at Nanking, the responsible elements in the Chinese political and economic structure, immediately saw the fallacy of further following Soviet leadership and it was not long afterward that Borodin and Galen and their associates were kicked out of the country. The closing of the Soviet Embassy in Peiping and the consulates in South China, followed by the publication of documents seized in connection with the embassy and consular raids showed quite definitely the real purpose of Russia in Asia. Further and still more definite evidence was provided in the activities of Soviet agents in Hunan and Kwangtung provinces in attempting the creation of a Red Terrorism.

But despite the disillusionment of responsible Chinese in Central and South China regarding the real purpose of the Soviet it has been necessary to follow the Soviet into North Manchuria to gain a real understanding of present-day Russian objectives in respect to this country. It is here, in North Manchuria, in recent months that the real hand of the Soviet has been disclosed for while Soviet agents preached altruism and non-aggression in Central and South China in 1926 and 1927, the same agents of Bolshevism, Galen, Karakhan and Borodin and their superiors in Moscow as well as their agents in the field have not hesitated to use all of the base methods of the "imperialists" which they so roundly denounced only three years ago. In plain language the Soviet Government in its activities in North Manchuria in recent months has been guilty of acts of barbarism and aggression which China had not experienced since the days of European aggression at Canton in the middle of the last century or the activities of the imperialistic Western Powers at the time of the Boxer Rebellion a third of a century ago. The action of American and British gunboats in firing a few shots at Socony Hill in Nanking at the time of the Nanking incident in 1927 was a mere "flea-bite" in comparison to what the Bolsheviks did in North Manchuria last summer and fall.

But while the Chinese people, as comment now appearing in the Chinese newspapers indicates, are beginning to realize what has happened in North Manchuria, they are still more or less in the dark as to the methods that the Russians used in gaining their objective, the control of the Chinese Eastern Railway and the re-establishment of Russian domination in North Manchuria. Which brings us back to the recent activities of Comrades Galen, Karakhan and Borodin, the directors of Soviet military, diplomatic and propaganda activities in North China in connection with the recent conflict. To take up the propaganda phase first, one finds that while Soviet agents have been loud in their attacks on the exterritorial system, they have not hesitated to take advantage of the system to further their own ends in connection with the recent conflict. This has been done through the wholesale employment of foreigners who still possessed exterritorial privileges. In Manchuria the Soviet made good use of Japanese, British and Korean agents as propagandists, while in Central and South China they have chiefly used Americans and Germans. This was done chiefly through the medium of the official *Tass* news agency which must have expended hundreds of thousands of dollars in furthering Soviet aims in recent months. The general purpose of this propaganda has been to keep the Chinese political situation in such a mess that the Chinese leaders themselves didn't know which way to turn. In Manchuria Soviet propaganda was used to break down the morale of the Chinese army through the secret circulation of literature among the soldiers designed to cause them to become suspicious of the motives and activities of their superior officers. Furthermore the Soviet openly catered to the prejudices of the reactionary officials in Manchuria and played them against

the younger and more nationalistically inclined Chinese officials. In other words, the Soviet "played" the old guard in Manchuria which generally had been opposed to cooperation with Nationalist China South of the Great Wall. From the larger standpoint of Chinese politics, the Soviet constantly worked to break down the influence of the younger and more modern-minded Chinese elements in Manchuria and at the same time constantly sowed seeds of suspicion between Gen. Chang Hsueh-liang and Gen. Chiang Kai-shek. This was done by constantly circulating reports alleging that the chief objective of the National Government and the Kuomintang was to obtain political control of Manchuria and its economic resources, to the detriment of the Manchurian people. In short, the Soviet used methods which the Japanese always have used to prevent the *nationalization* of the Three Eastern provinces. Much of this propaganda was spread through the medium of the Soviet state radio broadcasting station at Habarvosk. In nightly programs, broadcasted in the Russian, Chinese, Japanese, English and Esparanto languages, the Chinese were told of the alleged iniquitous activities of their political and military leaders, the language used often being unfit for publication. Detailed reports would be given regarding the political situation in South China, always calculated to make it appear that the enemies of the National Government had the upper hand and it was only a matter of time until the Government would be overthrown. This naturally had the effect of undermining the morale of the Manchurian forces, particularly reports to the effect that the Kuominchun forces had occupied Hankow and Nanking and that Chang Fa-kwei had captured Canton. These reports undoubtedly had as much to do in causing the collapse of the Manchurian armies as the military activities of the Red forces on the front.

There was another and still more damaging phase of Soviet propaganda, which was designed to create the impression that the Chinese were launching drives across the boundary into Soviet territory. This propaganda was spread directly from Moscow as well as through the Soviet broadcasting station at Habarovsk. Officials of the Soviet Foreign Office would issue long reports giving alleged detailed reports of acts of Chinese aggression on Siberian soil. One such report which was published in the *Japan Times* in Tokyo contained a list of alleged Chinese attacks upon Russian towns and villages, that was faked in its entirety, but so skillfully done as to carry conviction abroad where accurate information was not available. For example there appeared names of towns and villages with dates of the Chinese or "White-guard" attacks, none of which were true, but in the lack of contrary information, undoubtedly carried conviction. At no time during the conflict did the Chinese forces in Manchuria use the services of White Russians, but the Soviet Government constantly alleged "White-guard" attacks. These reports reached their culmination in November when the Soviet claimed to have captured 400 White-guards in the vicinity of Manchouli. What happened was that the Red army did capture a large number of Russian emigrees on the Chinese side of the line, but instead of being members of the Chinese army they were all peaceful farmers and villagers who had settled on the Chinese side of the boundary. Newspaper readers were not definitely convinced of the falsity of these reports until Gen. Chang Hsueh-liang definitely offered to pay an indemnity if the Soviet Government could prove to a properly constituted international commission that any Chinese soldier or so-called "White-guard" had ever crossed the line into Siberia. The Soviet Government was able to "get-away" with this propaganda largely due to the fact that no neutral observers of any kind were permitted to visit the Soviet side of the line for the purpose of making an inspection.

Turning to the military phases of the Soviet activities in North Manchuria, it is scarcely necessary to devote much space to this subject. Sufficient has been published in the form of news reports by foreign correspondents on the Chinese side of the international boundary to show that practically every town and village of consequence on the Chinese side for a distance of fifty miles behind the boundary, was either burned, looted or bombed by the Soviet forces. Tens of thousands of refugees, men, women and children who have flocked into Harbin, Mukden and Dairen and even as far south as Tientsin and Shanghai have told the story of the barbarity of these Red Russian attacks, the equal of which is not to be found in the pages of modern history. In many places the populations of entire towns and villages were wiped out, in other places only the men and women were killed, leaving hundreds of little children, orphans to wander about amongst the corpses and ruined homes of their parents. The final defeat of the Chinese army on the border was effected through the utilization of superior Soviet military equipment and the use of Red officered and munitioned Mongolian forces which harassed the rear and cut the Chinese lines of communication. Chinese towns more than 200 miles behind the boundary were bombed and destroyed by Soviet airplanes, many of these towns on the western branch of the C. E. R. being crowded with thousands of refugees at the time of the Soviet bombing attacks. It was these activities, plus Soviet propaganda which brought about the collapse of the Chinese Manchurian border defense forces and caused such disorganization among the Chinese troops that the soldiers were turned into gangs of bandits which completed the destruction which the Soviet forces started.

These in brief were the Soviet methods which brought about the defeat of the Chinese in North Manchuria and while all these methods are supposed to be legitimate under the old rules of warfare, they are difficult to understand in the light of Soviet professed principles. Had the Powers adopted in 1927, Soviet methods, as recently exemplified in North Manchuria, following the Nanking incident in 1927, they would have laid waste every Chinese city on the Yangtse from Shanghai to Hankow. Then on top of it all there was the Soviet attempt to inspire the Mongolian independence movement in the Barga District, a thinly-disguised act of territorial aggression, that no foreign Powers has used in its relations with China for many decades.

In order to understand fully how the Moscow Government, by using methods which the Soviet

had always denounced as methods of the "Imperialists, was able to defeat China on the question of the administration of the Chinese Eastern Railway, it is necessary briefly to refer to domestic political conditions in both Manchuria and in China proper. In Manchuria there are two factions, the so-called "Old" Mukden clique and the "New" Mukden faction. The old group largely centers in the person of Gen. Chang Tso-hsiang, tupan of Kirin province, who always considered himself the logical successor of Marshal Chang Tso-lin, while the new group looks to Marshal Chang Hsueh-liang, the son of Chang Tso-ling, for inspiration. The Soviet Government had accurate information on this situation and as early as last July the Soviet Consul in Dairen, (Japanese leased zone) informed an American newspaper correspondent that the Soviet was basing its hopes on the influence of the Old Mukden Clique and hoped to utilize this influence in the re-establishment of the Soviet position in North Manchuria. The fact that the Soviet Government was able to maintain its consular representatives in the Japanese leased zone at Dairen, even though they had been withdrawn from Manchuria proper, was of tremendous importance, because it was possible in this way to direct the activities of Soviet agents in Manchuria even though the Sino-Russian boundary had been closed on the other fronts. Another important phase of Soviet espionage in North Manchuria was the compilation of detailed information regarding the commerical and financial interests of Chinese officialdom throughout the Three Eastern provinces. In other words, the Soviet agents in Manchuria knew exactly who owned every coal and gold mine, every Chinese shipping company, every commercial or financial interest of any consequence in the region. This knowledge was used to excellent effect when Red raiding parties were sent across the border or when the Red airplanes bombed Chinese towns and cities. The Soviet knew, for example, exactly what Chinese interests would be effected when bombs were dropped on the Mulin coal mines. They also knew whose purse would be affected when they blew up the Bank of Communications in Fuchin. Also they knew who would be affected when they seized Chinese steamers on the Amur River. It was in this way that the Soviet was able to bring pressure on particular Chinese officials and commercial interests in Manchuria and make them amenable to peace "suggestions," the peace suggestions usually being in the form of airplane bombs loaded with pyroxelin. It was this sort of warfare, plus propaganda cleverly designed to widen the breach between the political factions in Manchuria that finally caused a collapse of the Chinese resistance. Also it must be noted that the Russians had an advantage over the Chinese through access to the Chinese boundary which was provided by the Amur branch of the Trans-Siberian Railway which skirts the Chinese boundary on the Siberian side of the line and provides communication from Chita to Vladivostok. Through control of this line the Russians were able to land troops almost anywhere on the Chinese 2,000-mile boundary, while the Chinese did not have ready access to their boundary except at three places, Manchouli, Pogranictnaya and at the mouth of the Sungari. Gen. Galen's decision to establish his headquarters at Habarovsk was excellent strategy for this gave him access to the Chinese boundary in three different directions by both rail and river communication, which enabled him to launch raids across the Chinese boundary, by either airplane or cavalry at innumerable places, and then withdraw his forces before the Chinese could dispatch reinforcements to the affected spot. In brief, Gen. Galen had complete access to and control of, the boundary from the beginning while the Chinese had to dispatch forces at least 500 miles from their headquarters at Mukden and Harbin in order to repel the Soviet attacks.

Thus, from the standpoint of the situation in Manchuria, it may be seen how the Soviet concentrated its attention upon the older or reactionary political elements and brought pressure upon them thus utilizing their strength against the more modern or nationalistically inclined political elements in the Three Eastern provinces. In China proper, the Soviet used exactly opposite tactics and catered to the radical and communistically inclined political elements which were attacking the Central Government. During the course of the recent internal fighting in Honan and Canton, Nanking frequently alleged that the Soviet was extending financial and propaganda support to the elements that were attacking the Government. Among the papers seized at the time of the raid of the Soviet Consulate in Harbin, were alleged to have been found several letters and telegrams directing Soviet agents in North Manchuria to extend assistance to Marshal Feng Yu-hsiang. Whether there was any truth in these allegations is not known, but it is known that the Soviet army did not start its real drive into Chinese territory in the Barga District until the Kuominchun and the Ironsides were ready to start their drives against Gen. Chiang Kai-shek's forces in Honan and at Canton. This may have been pure accident, but as stated, the dates coincide. As to whether there was actual cooperation between the Soviet and the so-called "Reorganizationists" is not known and probably never will be known, but at any rate the military drives of the two forces had all the effect of cooperation, for it was the outbreak of civil war in Honan and Canton that took the heart out of the Manchurian resistance to Soviet pressure. It meant that the Three Eastern provinces were left to fight the entire U.S.S.R. single-handed, for no help from the South could be expected.

Much more might be written about the superiority of the Soviet military equipment, particularly in the form of airplanes equipped with machine guns, tanks and long-range artillery. Manchuria had few, if any airplanes equipped with machine-guns, practically no tanks and limited artillery. Manchuria made the serious mistake several years ago of specializing upon the manufacture of the Stokes mortar, which may have been of value in Chinese warfare where there was close hand-to-hand fighting, but of little value in actual warfare against long range artillery. The reason for this is that the Stokes mortar has little more accuracy than a Chinese fire-cracker,

hence is of practically no value when the enemy has long-range artillery which can be fired with reasonable accuracy. Also, it must be stated that the Chinese placed entirely too much dependence upon the Kellogg Pact as a possible deterrent to a Soviet invasion. Gen. Galen did not permit the Kellogg Pact to cramp his activities in the slightest degree. What he did was to constantly broadcast the "news" that the Chinese had advanced their troops across the line and attacked some Siberian town. Then a few days later the Red troops would drive across the boundary into Chinese territory and destroy another town, alleging that such had been necessary in order to "repel" the Chinese attack, which of course was mythical, but since the outside world had no way of checking up on the Soviet propaganda, many newspaper readers doubtless were misled into believing that the Chinese actually were sending troops across the boundary. This method of using propaganda to neutralize the effectiveness of the Kellogg Anti-War Pact on the part of the Soviet, worked so well that the Chinese finally were able to determine where the next Red attack would be launched by listening to the Habarovsk broadcaster. If the Soviet radio announcer would state that "Chinese troops are being massed at Taheiho, etc.," the Chinese knew fairly well that the next Soviet drive into Chinese territory would be at Taheiho or in that vicinity. The Soviet thus made the radio a valuable war-weapon, the first time it has been so used.

Marshal Chang Hsueh-liang, head of the government in the Three Eastern provinces has reported to Nanking that Chinese losses in the recent struggle with the Soviet were approximately 10,000 soldiers and civilians killed while property losses exceeded $50,000,000. And while it has not been stated officially, the Chinese newspapers have reported that the war cost the Manchurian and Central governments approximately $45,000,000. And all of this on top of what amounts to a complete defeat and complete restoration of Soviet influence, interests and prestige in North Manchuria. To accomplish this end the Soviet Government, despite professed principles, and propaganda pertaining to the liberation of the oppressed peoples of Asia, stooped to forms of warfare which have not been evidenced in Asia for many generations. The Soviet Government did this for the purpose of restoring Russian control of a railway which the same Soviet Government a few years ago offered to return to the Chinese people. In taking this action the Soviet Government was guilty of a specific act of aggression against which all the other Powers had bound themselves in one of the Washington Conference Treaties, that is, the clause in the Nine-Power treaty whereby the signers "agree to refrain from taking advantage of conditions in China in order to seek special rights or privileges." The Soviet Russians thus went much further than the Japanese who intervened twice in Shantung province, for on neither occasion did the Japanese use their intervention as a cloak for re-establishing control of the Shantung Railway. Neither have the British used their armed forces for the purpose of recovering possession of their concession at Hankow. The Soviet Government, of course, was not bound by any of the Washington Conference decisions because the Soviet was not represented at that meeting, but it has been the Soviet Government which has been making all the noise about the "aggressions" of the so-called "imperialistic" Powers in China!

The outstanding factor in the situation, which all Chinese must realize, is that Russia has staged a "come-back" in Asia and again is to be reckoned with as an imperialistic factor backed by strong military power. During the past ten or twelve years while the Chinese people have been wasting their efforts and weakening themselves in internal political and military struggles, the Red Russians have gone ahead and developed a military machine that functioned so efficiently that they were able to over-run a considerable section of Chinese territory within the brief space of four months. And while it is too early to forecast the ultimate results of the Soviet victory in North Manchuria, it now appears that the Red Russians have gone much further in the direction of breaking down the Chinese boundaries and establishing their dominance of Chinese territory than the previous czarist Russia ever dared to go. By destroying the Chinese fleet which previously was used to patrol and protect Chinese commercial and shipping interests on the Sungari, Amur and Ussuri Rivers the Soviet has now established its undisputed control of these boundaries, something which old Russia was never able to do. By defeating and driving the Chinese forces out of the Barga District, the Soviet has destroyed Chinese prestige in the eyes of the Mongols that will require many years to re-establish. By using military force in the re-establishment of their control of the C. E. R. the Soviet has made it extremely difficult for the Chinese to ever obtain control of this railway, by purchase or otherwise. This is what the Soviet Government, the professed "protector" of the so-called down-trodden peoples of Asia, has put over by forceful means in North Manchuria, and while this new situation is of vital interest to the Chinese people whose territories are involved, it is also of deep and lasting concern to all other peoples interested in this part of the world. Obviously, there must be more than idle rumor behind the talk which one now hears on all sides regarding the complete cutting-off of Manchuria from Chinese control and even the possible division of the territory between the Red Russians and the Japanese.

"A VICTORY FOR THE WORLD REVOLUTION"

IF THERE are any Chinese who may still have any doubts regarding the purpose of the Soviet military activities in North Manchuria in recent months, they should read an account written from the Russian angle, of the Sino-Russian clash as published in the December 6, 1929 issue of *International Press Correspondence*, the organ of the Third International. The article, which was too long for reproduction here carried the subtitle, "The Capitulation of Mukden to the Soviet Power," declared that the victory of the Red Army in the Far East and the capitulation of the Mukden Government to the Soviet power, is without doubt an event of world-historic signi-

ficance. After tracing the beginning of the struggle from the Soviet angle and repeating the now, thoroughly discredited, stories of Chinese persecution and barbarities upon Soviet citizens in North Manchuria, the article repeated the Soviet charges that China was supported by "world imperialism." To quote from the article, "America unrolled the document of the Kellogg Pact and the League of Nations drew attention to its statutes.....Fire was directed against the Soviet Union from three fronts. The hangmen of the Chinese workers' and peasants' revolution furnished the armed mercenary bands for the war. The imperialist Governments of Europe and America furnished the money, the weapons, the political leadership and the diplomatic support....That was the triple alliance which in July, 1929, marched to war against the Union of Socialist Soviet Republics." Then followed the statement that the "Soviet Union did not want war. It avoided war. It prevented war. But the Soviet Union is no vassal state of the imperialists. If the Soviet Union had bowed down before the Chinese militarists, the same thing would happen tomorrow on the European frontier as yesterday happened on the Asiatic frontier....The Soviet Government therefore replied in Bolshevist manner. It liquidated the war by defeating the attackers. On August 12 the Red Workers' and Peasants' Army of the Far East was formed. The chief command was accepted by Comrade Blucher, metal-worker from the Urals, Bolshevist of the illegal period, hero of the civil war, active fighter in the Chinese workers' and peasants' revolution. The formation of the Red Army of the Far East was the signal for a revolutionary movement, for a fighting initiative of the million masses in the factories and villages, precedented only in the greatest moments of the history of all revolutions."

The concluding paragraph of the foregoing boastful article which appeared in the organ of the Third International and was written by H. Neumann, who gave his address as Berlin, should be of particular interest to the Chinese in that it told in detail how the Soviet "put it over in North Manchuria," "The Red Army of the Far East took up the offensive and delivered the last decisive blow to the White bands (Chinese soldiers). It pursued the invaders across the frontier, disarmed on a single day 8,000 soldiers, 300 officers, captured 10,000 rifles, numerous guns, aeroplanes and tanks. The military power of the Mukden Government collapsed under the blows of triumphant socialism. What followed was the rapid, complete and humiliating capitulations. The victory of the Soviet Power over the armed murder bands of world imperialism in the Far East is of tremendous significance. The Red Army has furnished proof that it is the incomparable, deadly sword of proletarian world revolution. The Red victory in the Far East is a defeat for world imperialism. It is a terrible defeat for Chinese counter-revolution. It is a disgraceful defeat for international Social Democracy. The victory of the Soviet Union in the Far East will give the Chinese workers' and peasants' revolution fresh impetus of tremendous power.... Our socialist fatherland has won a victory of world-historic magnitude! Long live the defence of our Socialist Fatherland! Long live the victory of proletarian revolution at home and abroad!"

Latest Developments in the C.E.R. Question

The most important development in the Chinese Eastern Railway situation in recent days has been the appointment of Mo Teh-huei as president or tupan of the road in place of Lu Yung-kwan, the former Chinese president who resigned as one of the conditions enforced by the Soviet in the preliminary agreement signed at Habarovsk. Mr. Mo is a native of Fengtien province, was vice-minister of Agriculture and Commerce in the Peiping Government and later civil governor of Mukden. A dispatch from Nanking on Dec. 7 stated that the State Council had approved Mr. Mo's appointment, the resolution having been introduced by Sun Fo, Minister of Railways. A *Reuter* report from Mukden on Dec. 31 stated that Mr. Mo had also been appointed by the Mukden Government as China's chief delegate to the Moscow conference to settle the C. E. R. controversy, but a dispatch from Nanking on Jan. 7 stated that the Nanking City Kuomintang had passed a resolution which had been forwarded to the National Government, opposing the holding of the C. E. R. conference in Moscow.

Another report of some political consequence was the announcement from Mukden that Dr. V. K. Wellington Koo, former Minister of Foreign Affairs and Premier in the old Peiping Government and previously prominent as one of China's diplomats, had been appointed a member of the so-called Mukden Diplomatic Committee. It was also reported that Dr. Koo might accompany Mo Teh-hui to Moscow as one of China's delegates. Other Chinese appointments in connection with the reorganization of the Board of Directors of the C. E. R. included Kuo Chung-hsi, Chinese assistant manager; Shen Jui-lin and Fan Chi-kwang, members of the Board. Mr. Fan was acting manager of the railway following the expulsion of the Soviet officials last summer. In addition to these appointments to the C. E. R. there have been some readjustments in Chinese officialdom in both Harbin and Mukden, which are reported to have been indirectly connected with the adjustment of the railway controversy, but the facts regarding the situation are not available at this time.

The chief duties of the new Soviet manager of the C.E.R., Mr. Rudy and assistant-manager, Mr. Denisoff, as well as the Board of Directors, have been to reopen traffic and reinstate Soviet employes who were discharged by the Chinese administration. It was stated that the Soviet Government had insisted that all Soviet employes, possibly numbering more than 2,000 who had been discharged, must be reinstated and all arrears of salaries paid up immediately. A dispatch from Harbin on Jan. 8 stated that 207 of these employes were reinstated on Monday, Jan. 7 and had immediately received two months' arrears of pay. A *Kuo Min* report from Mukden stated that the great excess of Soviet employes over Chinese employes, probably would be continued, despite the fact that this constituted one of the chief sources of trouble which led up to the break in relations last summer. About 1,500 Soviet citizens of North Manchuria, most of them members of the Soviet labor unions on the C. E. R. who had been interned by the Chinese authorities in the Sungbei Camp at Harbin, were released. Some 3,000 Chinese citizens who had been arrested and interned by the Soviet Government on the Siberian side of the line were also released, most of these Chinese being merchants or farmers in Siberia.

Resumption of Traffic

While traffic apparently has been resumed between Harbin and Vladivostok on the eastern branch of the C. E. R., there appears considerable uncertainty regarding resumption of traffic on the western branch between Harbin and Manchouli. A report in the *Sin Wan Pao* on Jan. 6 stated that trains were being operated regularly on the western branch between Harbin and Pohudu and that a technical committee had been formed for the purpose of investigating conditions between Pohudu and Manchouli, this section of the line passing through the Barga District which has been controlled by the Mongols since the evacuation of the Soviet troops. In addition to the Mongolian complications it was stated that several railway bridges in the vicinity of Hailar which had been destroyed would require several days for repairing, one reason for the delay being the cold weather which handicapped the work.

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The Two-Sworded Warder of the Turbulent East

BY FREDERICK PALMER

(Reprinted from Liberty Magazine, Nov. 2.)

THEIR problem is not installments on their radios but their meal tickets—the billion people between the China coast and the Mediterranean Sea. They are a majority of the population of this earth that communciations are daily making smaller.

Today the worry-spot has moved across Asia to the East and the Chinese side as the Far East. The long-repeated "Look out for a little row in the Balkans to start a big row!" was a prophecy about the Near East. It was confirmed by the assassination at Sarajevo which started the World War.

Today the worry-spot has moved across Asia to the Far East. As I write, a clash between Russia and China over a stretch of single-track railroad in northern Manchuria, which does but a fraction of the business of a trunk line between Chicago and Omaha, is signaling alarm in world headlines.

The traveler's picturesque Asia of robes and turbans which gives us weird plots for movies with colorful backgrounds! Mysterious Asia of Buddha and Confucius and the baffling Oriental mind. My aim will be to present it in modern realities.

After seeing much of the Far East in my youth, I had my last glimpse of it twenty years ago. That is a basis for comparisons.

Before I had been long on board a trans-Pacific liner Seattle and San Francisco seemed as far away as New York and London.

Among my fellow passengers were Japanese business men and officials, and a Chinese delegation, under a cabinet minister of the new Nationalist government, which had been abroad studying foreign methods in commerce and labor.

All the Chinese were young. The chief, a colonel in the Nationalist army, who spoke English, French, and German fluently, was only thirty-one. Youth for action, youth for revolution.

Not one of those Japanese or Chinese might settle in the United States or Australia. They might live there only as students, tourists, or diplomats.

A limited number may enter Canada but they may not bring their women so as to breed their kind. No meal tickets for Asia's millions in western lands.

You might think that this would make a common cause for an Oriental solidarity. That possibility envisions the "yellow peril."

Oriental World Not United

While the westerners of all the races on board ship mingled with one another, not so the Chinese and Japanese. In vain I tried to draw them together for a talk. One explanation of this was in that map of Japan and the coast of China which I showed to Japanese and Chinese in turn.

"You have China sewed up tight!" I said to a Japanese.

"Aw! So!" was his only reply, as if I had given him a piece of news.

When I showed it to the young Chinese they understood what the sixty-three million Japanese had done to the four hundred and fifty million Chinese.

"We are a little late," said one of the young Chinese.

Sixty years late after the 4,000 years of Chinese history, the Chinese "study boys." Sixty years behind the Japanese study boys who modernized Japan, which now has the third if not the second most powerful navy and the most trained soldiers of any nation in the world.

With this map before me, I shall make Japan the subject of the first of these articles. In the voyage across the Pacific you come to Japan first, with that little dot of Hawaii the only land on the way. To grasp the Far Eastern situation from the Philippines to that stretch of the Chinese Eastern Railroad, you must start with Japan's part in it.

You must also go over some history as an approach to understanding the map of the East. It is as necessary as a review of the World War would be in explaining the present map of Europe to a visitor from Mars; or of the American Revolution in answering an inquiry as to why the United States, although English-speaking, is not a part of the British Empire.

Seventy-odd years ago, when Commodore Perry steamed into Tokyo Bay to open Japan to the world, we thought the Japanese were savages and they thought we were. Perry sprang the same kind of surprise on Japan as it would be if in the present year of grace some strange-looking aircraft were to appear above our coast and drop a few little pills to spread gas and put Richmond and Baltimore to sleep.

Then suppose the commander of these aircraft were to send down word from his aerial base, suspended by some unknown power against the law of gravity, five or six miles high:

"We think it's time we developed your planetary market for exports from our planet Mars. If you are not agreeable we will drop pills on the White House and the Capitol and then move on to New York and Philadelphia. For your earth has got to come into the great planetary game. You must be modernized."

Then the home defense leagues and the pacific societies and the Wets and the Drys would see eye to eye. Every Republican senator would be back on the reservation and every Democrat an administration supporter.

Just a Little Old History

We should be a united people as favorably disposed to the Martian suggestion as the passengers of a stagecoach to the "Hands up!" of bandits. That was the way the Shogun felt in granting treaty ports ruled by foreign consuls where the western barbarians might begin trading —even on the sacred soil of "Under Heaven Land."

While the Chinese have always been individualistic and governmentally disorganized, the Japanese, when Perry came, were very highly organized.

Under the Shogun, hereditary lord for three centuries, were the princes and *daimyos* of the different states with the power of life and death over their subjects. Under the *daimyos* as retainers were the *samurai*, or gentlemen of various grades, some two millions of them, all with their names in the Social Register, as it were.

The *samurai* alone had the right to bear arms They wrote verse, fenced, intrigued, philandered, and discussed the makes of their swords as we discuss the makes of our automobiles. A *samurai* had to keep in training. Physical fitness was more than good form to him. If he got soft and his sword arm uncertain, in the eternal feuds he might be hurried to meet his ancestors whom his defeat had shamed. When he wanted to see if a new sword had a good edge, he might cut down any passing common man, who would have no redress.

The rest of the population supported the *samurai*. They too had their social grades. At the bottom were the *eta*—outcasts or pariahs, who did the butchering, carried the swill, and emptied the latrines.

So every Japanese had his number. He was ticketed, card-indexed. He had to have a passport if he moved from one town to another. He knew his place and knew it would be his son's.

One of every five Japanese was a spy reporting any word spoken against the government, any suggestion that all was not for the best in the best of worlds, even when a *samurai* tested his sword on your flesh.

Only one of the five knew which was the spy. This led to soft speech and a poker face. It was the most conventional, molded civilization in human history, in those islands of screens and frail wooden houses.

Except to fish, no Japanese was permitted to leave the shores of Japan, and foreigners were forbidden to enter. Blessed Under Heaven Land would have no truck with barbarians. This proud old family would have no neighbor's children playing in its aristocratic back yard.

Three hundred years of this, in relation to the many centuries preceding, produced the Japanese mentality which led Lafcadio Hearn, who became a Japanese subject, to conclude at the end that no foreigner could ever become one of these people. Long before Christopher Columbus was born, the Japanese melting pot had finished its task and produced racial solidarity.

What was the mysterious power, puffing smoke from the tubes in the middles of Perry's ships, which made their paddle wheels go round and propelled the iron balls from the tubes sticking out of their sides? Those iron balls could reach farther than the arrows sent from Japanese bows. They left Japanese swordsmen to slash hopelessly in the air.

The Incursion of the West

Japan's thought at sight of those ships was the same as ours would be when the Martian aircraft began dropping the pills. The thing to do was to get the stranger's weapons, turn them on himself, and forever rid Under Heaven Land of these barbarians who walked into the house with their boots on and sat in chairs instead of squatting on clean mats.

But when the first study boys went forth to look and see, they found that it was not a flat world; and how small a part of it was their little Japan—and how mighty was the white man! There was only one way to save Japan from the fate of India and from what seemed to be the coming fate of disorganized China, and that was fully to adopt foreign ways and get into the international game.

A far-seeing group of young *samurai*, led by Ito and Inouye, pioneer study boys, spread the gospel. That old one-in-five spy system meant an instinct for gaining information and using it wisely. The Shogun of three hundred years' hereditary rule was unhorsed, and Mutsuhito of the divine royal line, which traced its origin from the maternity of the sun goddess twenty-six hundred years ago, was put on the throne for the great Mei-ji epoch of westernization. Research historians say there are some breaks in the line, but that is not to be mentioned in the royal household.

With a people so molded to discipline, westernization meant only a change of routines under command of the godhead of the Emperor. Silk and tea, which the foreigners wanted, paid high wages for foreign instructors in all branches from industry to the army and navy; and paid for ships and arms until Japan should be able to make her own. If ever a people had had a lesson in the value of force, it was the Japanese. Their army and navy kept growing stronger. Soon this martial race was doing everything "on its own" in the military branch.

Foreign embassies and distinguished visitors know Japanese hospitality, foreign style, and the charm of entertainment, Japanese style, where the *geisha* girls dance. The *geisha* has been a most valuable adjunct in Japanese foreign policy, and after the foreign-style dinners Japanese officials go home to their kimonos in relief.

There is the red-carpeted approach to the Imperial Presence for very favored foreigners, and also the decoration of the Order of the Rising Sun Third Class. Starting fresh, the Japanese adopted what they thought was the best for their purpose from the customs of the different foreign nations.

When Japan Trounced China

In 1894 little Japan surprised the world by jumping immense China. Most of the Chinese did not know there was a war; and those who did thought it was a private affair of the statesmen in Peking. By that victory the island of Formosa with a government monopoly of camphor was won, and also the Pescadores to increase the length of the island chain. Now Japan had become somebody at the world's council table. Force had done it. Britain made Japan an ally.

Russia's formidable Mars, then held in such awe, was advancing to the Pacific. Russia had Port Arthur, she was building a great port at Dalny, she was threatening Korea and Japan's dominance of the China seas. In 1904 Japan dared war with Russia before the astonished world; and I learned something of Japanese character in following her armies in their victories to Mukden.

Japan was exhausted in men and money. She was not yet on Russian soil. A strong Czar, a Peter the Great, an Ivan the Terrible, or an Alexander III, would have kept on; but weak Nicholas yielded.

Japan annexed the Korean peninsula, she had Port Arthur, she had control of Manchuria—as an outpost on the Asiatic continent such as England once had in France. The situation was the same as if Cuba had taken Florida and had railroad control in Georgia and the Carolinas. Japan's ambassadors, no longer ministers, now sat up close to the head of the world's council table. There was an end to the talk of breaking up China under European protectorates—so strong was Japan at the gate.

And Ito and Inouye of the group of *samurai* leaders had lived to see it. They were old men of the group known as the *genro*, the wise elder statesmen of Japan. Cabinets might come and go, but they were the final council as they put their heads together considering a crisis and all the reports of the study boys. When they made their decision they took it to the Emperor to be announced as his own.

Only one of the *genro* now remains, Prince Saionji, who is past eighty. Recently a premier said in the afternoon that his government was going to stick; but that evening he resigned. Saionji had told him it was time to go. Saionji had seen the Emperor, and the Emperor said so because Saionji said so.

And the spoils from Russia had included a part of another island, long narrow Sakhalin, opposite the Siberian port of Vladivostok on the edge of the arctic.

As an ally of Britain, Japan was against Germany in the World War. Her flag went up in place of the Kaiser's over the strong German protectorate in the Chinese province of Shantung.

As a first-class power at the Versailles Peace Conference, what was Japan asking for? Those mandated German islands, the Marshalls and Carolines and the Marianas, to extend the chain southward to the equator. Such small islands—but land on the Asian side of the broad Pacific!

A Glance at the Map

Now look at the map! Through all the climate range from the arctic to the equator, Japan's island chain is complete. For comparison, imagine such a chain, the stronghold of a foreign power, extending off our Atlantic coast from Newfoundland to Cuba, or off our Pacific coast from opposite Puget Sound to past the Mexican border. It will help you to appreciate the shrewd foresight of the *genro* in acquiring those islands to complete their island empire. It will help you to realize how Japan, as I said, has China sewed up tight.

For every passage through that island chain from the Pacific to China and the reverse is, relatively, a narrows like that between the Atlantic and New York harbor. Only two of the passages are so deep that mines cannot be laid but submarines with bases in safe harbors could lie in wait in them and airplanes from nearby bases can patrol them.

In a lonely position south of China are the Philippines. Japan could have our little garrisons there under siege in a week. Hong Kong, Britain's Chinese outpost, could not hold out long unless the British battleship fleet came to its support; and only the battleship fleet could prevent the Japanese taking Australia. Hence the British naval demand for the base at Singapore to protect India.

These, without unfriendly implication, are the facts of the map which nothing can gainsay.

"But you will find Japan changed," I was told. From some accounts I might have concluded that all the girls were out of kimonos and wearing bobbed hair and that the *samurai* spirit had departed from all the men.

In character the Japanese are about as changed as the French or Germans. There are fifteen million more Japanese than there were twenty years ago, but they are the same kind of people.

The man still stalks ahead of his wife out of the dining room and along the street. Even in the few hotels that have chairs and foreign ways, she is rarely in foreign dress instead of the kimono with its pillowlike *obi* which is meant as modesty's protest to disguise that she has breasts or hips, or that one part of her body is particularly adapted for sitting down.

When I called upon a Japanese who has been much abroad and speaks English well, he remarked incidentally, "My wife," as a woman brought us tea and cakes. I rose at the mention of the servant's identity, but he did not as he continued with the conversation, while she withdrew with a low bow. Later, when he and I left the house together, she brought his *getas* and went down on all fours in the old-fashioned Japanese obeisance to male superiority.

The Old and New Side by Side

"You might take that for any foreign city," said an American as we looked out of the window at the new reinforced-concrete, earthquake-proof buildings in the heart of Tokyo, which such admirable and marvelous industry has built since the earthquake.

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Industry and Labor in Wusih

BY FANG FU-AN

WUSIH is situated about 80 miles from Shanghai by rail and about 113 miles from Nanking. A short distance from the city is the shore of Tai-hu, and nearby flows the Grand Canal. This offers Wusih a splendid situation for development with cheap and easy communication. Moreover, Wusih is the center of a district that is excellently suited for the growing of mulberry trees and thus stimulates increase attention to sericulture. Before the Revolution of 1911 Wusih was a small town, rice and silk exchange being the only business of the district. There were a few small mills operated but without modern equipment or scientific management; at present, however, there are altogether 116 factories in the city. As to the flour milling industry, 350,000,000 pounds of wheat were used to meet its annual requirements. The business of silk and cotton manufacturers amounted to Taels 22,000,000 last year. It was estimated in 1918 that there was a total population of 100,000 in the city while in 1926 the China Year Book estimated it at approximately 804,346. In 1925, P. Y. Tang wrote that the population of Wusih was approximately 900,000. Most of the new residents came because of the abundant demand for labor in the new factories.

A foreign tourist wrote after his visit to Wusih: "Those doubters who say that the Chinese cannot run a machine without foreign supervision—take them to Wusih, and let them see the huge cotton mills, equipped with modern American machinery and operated with an efficiency netting their owners heavy extra dividends each year! Those others who declared that the Chinese cannot successfully organize and cooperate in the management of a large industrial undertaking—let them visit the mills of this city, which use 350,000,000 pounds of wheat to meet their annual production requirements, and still others, dubious Thomases who think that no Chinese owned and managed industry based on modern lines can compete successfully with foreign enterprise have them make note that the total volume of business done by Wusih silk and cotton manufacturers in normal years exceeds 22,000,000 taels and that all of these products are sold in business rivalry with foreign-manufacture goods of Shanghai."

Many Modern Factories

The 164 factories equipped with modern and scientific machinery are distributed as follows;

Silk filature	45
Textile weaving plants	19
Knitting mills	17
Rice mills	16
Mechanic and Iron works	10
Soya Bean Oil Press Works	11
Electricity	9
Cotton Mills	9
Soap factories	5
Flour mills	5
Foodstuffs	2
Drink (wine)	2
Distilleries	2
Others (one for each kind)	12
Total	164

In 1925 P. Y. Tang wrote that in Wusih there were more than seventy-four factories. "Of the thirty-two mills included in the map seventeen are silk filatures, six cotton mills, five flour mills, one dyeing and weaving factory, two soya bean oil press works and one soap factory. These represent the important ones, while the map still leaves out over two dozen small plants and also one not yet completed. They consist of one silk filature, four soya bean oil press works, eighteen rice polishing plants, one doupion reeling filature, one chemical plant, two soap factories and last but not the least in size, the uncompleted Tai-hu Cement Works." These different plants alone in 1925 represent a total investment of over thirty million dollars and give employment to more than 40,000 workers, which is about four percent of the total population of the city. In the last four years we have a comparison of seventy-four and one hundred and sixty-four factories.

Sericulture Heads Wusih's Industries

The sericultural industry of Wusih is considered the source of her wealth. In 1925 there were 18 modern silk filatures which control 5,948 reeling basins and employed almot 14,000 operatives. They yielded an annual output of over 12,500 bales of Chins Steam Filature Raw Silk (about 1,670,00 pounds), which constituted almost one-fourth of the product exported from Shanghai. This alone brought an annual business of over Tls 14,000,000, not to speak of the tremendous cocoon business. It was estimated that in 1925 over 200 cocoon *hongs* were opened to handle the spring crop. They gathered around 44,000 tans (133 pounds to each tan) of dry cocoon (5,866,000 pounds) which was worth over Tls. 7,000,000. The summer crop of 1925 (usually about 20 of the spring crop) amounted to approximately 9,000 tans, which was valued at Tls. 1,100,000. There were besides, the autumn crop yielding about 1,000 tans of dry cocoon. The total business of both cocoon and silk in 1925 was over Tls. 22,000,000 while a large amount of waste silk was exported also to foreign countries to be made into "spun silk".

Great Development This Year

The situation of this year shows the great development of the silk business in this city. The total number of silk filatures in 1929 is 45 with a total of 9,830 reeling machines and 26,246 workers. Among these 26,246 workers, 90 per cent are women and children. It is not an exaggeration to say that two thirds of the population of the city derive a part of their living from some phase of sericulture, such as mulberry growing, rearing silk-worms, reeling cocoons or weaving silk. The very fact that out of 12.000 mow* of cultivable land almost 40,000 mow (that is one-third of the total arable land) is devoted to the growing of mulberry trees tells plainly the significance of sericulture. In 1925 we have the following list of silk filatures and their number of reeling basins:—

Tuck Shing	480	Chen I	720
Tai Hu Sheng	248	Chin Chi	410
Yung Sheng	288	Yuan Kong	320
Tai Fu	320	Chien Foong	256
Shen Chang	208	Yung Chi	248
Yu Chang	320	Chen Yuen	248
Chien Sheng	520	Jui Kang Shen	236
Jui Chang	272	Chen Lung	320
Lung Chang	256	Chen Yuan	278
Total			5,948*

*reeling basins

This above table may be well compared with the table of this year showing the increase of the silk industry in the city:—

	Date of Establishment	Number of reeling basins
Yu Chang	1905	330
Chin Chi	1908	410
Yuan Kong	1908	320
Chen I	1909	520
Chen I No. 2	1922	256
Chien Sheng	1909	556
Chien Foong	1913	256
Chien Foong No. 2	1925	272
Teng Foong	1914	256
Che Shan	1914	248
Yu Sheng	1916	232
Chen Foong	1918	288
Teh Sheng	1919	480
Chen Lung	1920	304
Shen Chang	1920	272
I Foong	1920	248
Tai Fu	1922	384
Yuen Foong	1922	352
I Sheng	1922	264
Jui Chang	1922	276
Yu Foong	1926	272
Jui Fu	1925	120
Yuen Tai	1926	416
Chien Chen	1927	320
Tai Hu Yuen	1926	256
Yuen Ta	1928	208
Jui Ho	—	104
Yu Foong	1928	144
Wan I	1928	168
Tin Sheng	1928	320
Yu Lung	1928	208
Jui Foong	1928	240
Shing Sheng	1928	244
Teh Sheng	1929	312
Wei Chen	1928	160
Chien Lung	1928	192
Chin Tai	—	289
Yuen Yu	—	271
Tien Lung	—	384
Jui Ho	—	116
Ho Foong	—	—
Pao Foong	—	260
Min Foong	—	—
another two factories—names unknown		—
Total		11,628

*One mow is about 1/6 of an acre

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Nine Silk Filatures Under Construction

Out of the above factories there are nine silk filatures under construction. They are:—Yuan Teh, Yi Fou, Tai Chang, Pao Fou, Cha yuen, Tsien Chao, Che Lan Bai, Pei Chio, and Foong Chun. The total product of spring of this year amounted to 160,000 tans, the summer crop amounted to 30,000 and autumn crop to 10,000. The total of the year amounted to 200,000 tans. Calculating on the basis of fifty dollars per tan, there was a total of $10,000,000 of business on cocoons. The total amount of the silk product of all these factories of this year amounted to about 80,000 tans.

The Flour Milling Industry

Flour is the next important industry of Wusih. The wheat production was estimated to be a little over 350,000,000 pounds annually in the year 1923, 1924, and 1925. The wheat from the neighboring districts such as Chiang Yen, Kiang Yin, Tai Chou, Kao Yu, and many other places of the north of the Yangtse River can easily find its entrance to Wusih through the waterways around the city. The Nanking-Shanghai Railway served as the means of transporting the flour to Shanghai. The following is a list of flour mills and their producing capacity:—

Name of the mill	Nominal capacity	Actual Production	Years of operation
Kiu Foong	24 Barnard, Leas roll stands, 800 barrels	5,000 bags (1/4 bl.)	20 years
Mow Hsin No.1	Old: 24 Bernard, Leas rolling stands, 800 barrels.	5,000 bags	27 years
	New: 12 Nordyke & Marmon rolling stands, 400 barrels.	3,500 bags	20 years
No.2	Old: 12 Robinson rolling stands, 200 barrels	2,300 bags	13 years
	New: 11 Allis Chalmers rolling stands, 400 bls.	3,700 bags	10 years
Pao Hsin	6 stands of 18" rolls 6 stands of 30" rolls 200 barrels.	2,000 bags	16 years
Tai Lung	6 stands of 18" rolls 7 stands of 30" rolls 300 barrels.	3,000 bags	10 years

These five mills employ a total number of 560 workers Among these 560 practically all of them are men except a few child workers.

Cotton Mills in Wusih

As to cotton mills there are six in Wusih. They are:—Yeh Chin, Cheng Shing, Kwang chin, Sheng Chin No. 3, Yu Kong, and Ching Foong. Their date of operation and producing capacity can be seen in the following table:—

Yeh Chin	1895	$ 500,000	capital	13,832 spindles
Chen Sheng	1905	$1,800,000	„	30,278 „
Kwang Chin	1916	$1,000,000	„	19,968 „
Sheng Chin	1920	$3,000,000	„	51,008 „
Yu Kong	1920	$1,200,000	„	18,000 „
Ching Foong	1821	$1,000,000	„	25,000 „
Total				158,086 spindles

In these six mills there are a total of 13,195 workers. The annual production of the cotton yarn, if running at full speed, is estimated at 110,000 bales (each bale weighs 425 pounds) which will consume over 53,000,000 lbs. of raw cotton. While that of cloth at 24,000,000 yds. (taking 16lbs as the standard and operating for 14 hours a day). This means a business of more than 30 million dollars yearly. Cotton mills here have an advantageous position over those of Shanghai for they are nearer to the cotton growing centers and also to the markets of consumption. Practically all the mills here use the best grade of cotton brought from such places as Chang Shu, Yang She and neighborhood. Thus they produce purer and better grade of yarn than mills in Shanghai, which draw a large quantity of supply from India and elsewhere. Yarns produced here are, therefore, sold at a better price than Shanghai (over ten taels higher per bale). It is estimated that over 60 of the farmers in Wusih have wooden looms in their families for weaving the so-called T'su Pu, a kind of plain woven cotton cloth.

Nineteen Weaving plants

The nineteen weaving plants are analized as follow table:—

Sheng Chin	1923	504
Kwang Chin	1924	50
Ching Foong	1924	250
Nie Chin	1920	150

Chuan Kong	1908	400
Nan Chang	1914	20
Jui Sheng	1914	70
Nie Hui	1915	360
Hui Chen Lin	1915	200
Ta Sheng	1915	70
Kwan Hui	1916	150
Chin I	1923	100
Chin Hui	1923	210
Chiu Lum	1926	70
Hang Foong	1925	30
I Sheng	1916	20
Chin Hui	1923	30
Ta Hui	1929	20
Hui Foong	1929	20
Total		2,724*

*weaving machines.

Eleven Soya Bean Oil Press Works

The soya bean oil press works are becoming a very important industry in Wusih of late. In 1925 there were only four works of this kind; at present there are ten. Details of these ten works are follow:—

				Production per day
Yuan Foong	1914	$100,000 capital	bean cake: oil: 66 tai	675 tai
Jan Foong	1914	$ 75,000	bean cake: oil: 55 tai	563 tai
Chen Mou	1915	$ 75,000	bean cake: oil: 55 tai	563 tai
Shan Ho	1915	$ 30,000	bean cake: oil: 22 tai	224 tai
I Foong	1919	$ 70,000	bean cake: oil: 33 tai	332 tai
Hen Teh	1919	$500,000	bean cake: oil :135 tai	1,350 tai
Teh Chang	1920	$ 10,000	bean cake: oil: 11 tai	112 tai
Chou Yun Kong	1920	$ 10,000	bean cake: oil: 10 tai	100 tai
Chun Yun Ta	1924	$ 20,000	bean cake: oil: 15 tai	114 tai
Yun Foong	1926	$ 20,000	bean cake: oil: 15 tai	114 tai
Yun Pao Chen	1926	$ 20,000	bean cake: oil: 21 tai	210 tai

In these eleven oil pressing works there a daily production of 4,357 tans of bean cake and 438 tans of oil.

Labor Conditions in Wusih

From the above no one can deny the tremendous development of modern industry in the city. It is certainly right to say that Wusih is the Pittsburg of China. However we cannot pass without a study of the labor conditions in Wusih. It is beyond doubt that we are much benefited by the large scale production, but it is equally true to say that the workers are made slaves of machinery. Here let us see their population and their working conditions. As to the total number of factory laborers in Wusih it is estimated to be approximately 48,875. It is distributed in different factories as follows:

Cotton mill and weaving factories	15,780
Silk filature	26,246
Flour mills	560
Knitting mills (hoisery)	3,000
Electricity	116
Telephone	35
Wood oil	567
Rice mills	2,000
Mechanic and iron works	571
Total	48,875

There are also handicraft workers. These are distributed as follows:

Tailors	8,000
Barbers	2,000
Sauce juice manufacturers	1,000
Shoe makers	500
Carpenters	10,000
Wood finishers	1,000
Total	22,500

As to the manual workers it is impossible to obtain any statistics. The following table gives the numbers of ricsha pullers and wharf coolies:—

Rickshaw pullers	4,500
Wharf coolies	1,000
Others unknown	?

Wages of the Workers

In the cotton mills and the weaving factories the following wages are paid to the workers:—

Kinds of work	sex	average age	daily maximum wage	minimum wage	average wage
軋花	female	30	35 cent	20 cent	22 cent
拌花	male	26	47 cent	35 cent	43 cent
清花	male	26	59 cent	40 cent	51 cent
鋼絲	male	25	52 cent	42 cent	46 cent
併條	female	28	42 cent	20 cent	32 cent
粗紡	female	26	65 cent	42 cent	38 cent
細紡	female	18	52 cent	32 cent	35 cent
摇紗	female	23	39 cent	22 cent	29 cent
成包	male	24	$1.00	40 cent	52 cent
紆子	female	16	55 cent	30 cent	28 cent
筒子	female	16	40 cent	23 cent	28 cent
經紗	female	25	$1.00	50 cent	75 cent
吸塵	male	27	80 cent	40 cent	43 cent
穿扣	female	24	50 cent	30 cent	38 cent
機布	female	26	$1.00	40 cent	41 cent
整理成包	male & famele	26	60 cent	30 cent	40 cent
試驗	Male	24	$1.00	40 cent	52 cent
保全	male	25	$1.00	36 cent	50 cent

Among the 15,780 workers in cotton and weaving factories only one-fourth are male workers.

(1) in the silk filatures we have the following table:—

Kinds of work	sex	maximum in a day	minimum	average
剝繭	female	38 cent	17 cent	32 cent
繅絲	female	57 cent	37 cent	48 cent
打盆	little girls	34 cent	17 cent	20 cent
清花成包	female	62 cent	37 cent	50 cent

Among the 26,246 workers in the silk filatures more than nine-tenths are women workers. Among these women workers about one-fourth are small girls about the age of 13 and 14 working with the others.

(2) In the flour mills there are 560 workers. Among this number two-thirds are small boys. The maximum wages for the workers is $60 a month, the minimum is $15 and the average is $22. Houses are provided by the factories with a rent of $2 a month.

(3) The wages of workers of other industries are as follows:—

Knitting factories:—
Best grade .....35 cent for a frozen (stokings)
Middle grade.....30 cent..... („)
Lower grade .....27 cent..... („)

Electricity:—
Monthly wage: Maximum $66, Minimum $20, Average $32

Telephone:—
Monthly wage: Maximum $20, Minimum $ 3, Average $10

Wood Oil Press:—
Daily:—wage: Maximum 55¢ Minimum 35¢

Rice mills:—
Daily: Maximum 80¢ Minimum 35¢ Average 40¢

Mechanics and iron work:—
Monthly: Maximum $45 Minimum $12 Average $20

Rickshaw pullers:—
Daily: Maximum $1.00 Minimum 50¢

Wharf coolies:—
Daily: about 30¢

Long Hours of Work in the Factories

Because of such long working hours in the factories, it is inevitable that strikes occur. In 1926 there were 29 strikes in Wusih. An analysis of the causes of the strikes shows the 17 strikes were for higher wages; three were caused by increased working hours. Five of the strikes were brought to an end by the government. In five other strikes the employers accepted the demands of the employees. Seven were brought about by the compromise of both parties. Four were ended by the mediation of a third party. In 1926 there was a general condition of unrest among the laborers. In 1927 the conditions were better, with only 14 strikes. In 1928 there were only 13 strikes. The organized laborers in the end of 1928 were 42,741 with a total of 67 labor unions.

From the above study one can see the rapid increase of industry in Wusih. At the same time we see an intense labor problem in the district also. It is only when some means for the cooperation of the laborers and employers is planned that they can work together hand in hand for the benefit of all.

Note: All the above statistics come from:
(1) P. Y. Tang: Pittsburg of China
(2) 無錫雜誌, 工商號
(3) 工運叢刊

Shanghai, November 30, 1929.

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Mei Lan-Fang and His Trip to the United States

BY PAUL K. WHANG (汪仲芳)

Never in Chinese history has there been anartist who has won such a place of honor in China's Hall of Fame as Mei Lan-Fang, actor and female impersonator. True, as a profession, acting in China is generally looked down upon by the people and the public opinion holds that a man turned out to be an actor is a disgrace to his family. But this prejudice certainly does no harm in the career of Mei Lan-Fang, who has achieved such a phenomenal success in theaterdom that he has been voted by the critics as the "King of all actors". His name is so popular, that several clever merchants have used it as the trademark of their products. A big crowd is always on hand to see his performance whenever he is scheduled to appear, even though one has to pay an exorbitant price for one seat, say four dollars. In big banquets which were frequently given in the days gone-bye in honor of the military leaders in the old capital, no program was complete without Mei Lan-Fang's performance. In entertaining foreign guests, either princes, or ministers, or tourists, his service has always been solicited in order to make the affair more attractive. His successful tour in Japan in 1919, which won the praise and admiration of the Japanese public, has eventually paved the way for other tours in foreign countries.

Mei Lang-fang, China's Famous Actor, Who Is Departing Shortly on a Trip to the United States.

Mei Lan-Fang is looked upon as one of China's "wonders" by our foreign friends who are interested in Chinese arts and culture. He is around thirty years of age, but in his make-up he looks as young as "sweet-sixteen." His supple figure, coupled with his graceful gestures and alluring singing, make the audience forget his identity. His dancing introduced many innovations on the stage, as there had been no such thing before. His costumes are lavish and gorgeous, exhibiting the best pattern of China's silk and embroidery. To our foreign friends who do not appreciate Chinese singing, his dancing and costumes deserve careful study, as they portray some of the real Chinese arts. In playing the role of a Manchurian princess in the play entitled "The Home-Coming of Yang Yei Hwai" the costume he wears has been actually bought from a Manchurian princess at a big price. This instance shows how carful he is in selecting his costume in order to make the scene a real one

Comedian as Well as Tragedian

He is an all-round impersonator, playing the role in comedy as well as in tragedy. Taken all in all, his plays are more than one hundred in number, many of which have been specially written for him by well-known playwrights. His plays have special merits in that they are staged for a definite purpose, either to uphold China's age-honored virtues, or to present a piece of real Chinese art. Filial piety and faithfulness to husband are two high virtues which serve the background of many of his plays. In the play entitled "Mo-Lai Joining the Army", he plays the part of a girl, who in man's attire went to the war in place of her aged father. In "The Returning of Sih Zen-Kwai", he plays the role of a premier's daughter, who in spite of her parent's objection, was married to a beggar and lived for eighteen years alone by in a hovel awaiting the return of her husband, who joined the army and eventually became a general. The plays of this nature tend to inculcate in the public one or the other of Chinese virtues, and the events, though romantic and unbelievable they seem to be, are actually stated in Chinese history. Occasionally, some of his plays are adapted from fairy tales, such as, "The Fisherman's Girl," "Fairies Strewing the Flowers", and many others, in which Mei turns his attention from Chinese virtue to Chinese arts, by exhibiting sword or flower dancing and presenting colorful costumes. In a word, Mei's plays portray different phases of Chinese life, up-hold China's virtues, and are examples of Chinese arts.

Long Preparation for American Tour

After his successful tour in Japan, Mei has been repeatedly asked by his Chinese and foreign friends to make a tour in the United States but not until now has he definitely yielded to their persuasions. In the course of an address delivered before the American University Club at Tientsin on the eve of his departure for the United States, he said among other things that for ten years he has been repeatedly invited by American theatrical managers to make a tour in the United States, but he had declined their offers, but that this time he goes to America merely for the sake of pleasure and occasionally will stage some of his plays for the benefit of American public. It is reported that he has painstakingly prepared for his American tour for the last few years. Besides designing new costumes and improving the Chinese orchestra by discarding noisy pieces in order to make the music pleasing to foreign ears, he has prepared some new plays which will be adaptable to the American taste. He is now in Shanghai and will probably sail for the States on Jan. 18 with his company of twenty or more assistants. While in Shanghai, he is engaged by the Great Theater, Hankow Road, to give seven performances from Jan. 6. After that he will probably give two performances for philanthropic purposes.

Mei's American tour bears a special significance in that he goes there not for pecuniary purpose, but for exhibiting Chinese arts and culture before the American public. Hitherto on the American stage as well as on the silver screen, China is caricatured as a hideous figure with a queue hanging on the back. This misrepresentation of Chinese character has done much harm to the Chinese prestige. Occasionally, in "China-towns" in such big cities as New York, Chicago, and San Francisco, some Chinese plays are staged, but they are merely for the entertainment of the natives, and can in no way represent Chinese art and culture. Thus Mei's tour can do much to correct the misunderstanding of the American public by displaying real Chinese stage art.

Shanghai, January 6, 1929.

Complete Soviet Version Sino-USSR Peace Terms

The following report by the Japanese Rengo service, from Moscow dated December 22, allegedly giving the complete terms of the Sino-Russian preliminary conference for a settlement of the Chinese Eastern Railway controversy, appeared in the Japan Times of Tokyo on Dec. 24:

"I. Point One.—Preliminary Conditions—It is understood that both parties, in conformity with the telegram of M. Maxim Litvinov, acting commissary of foreign affairs, of November 27 and the Nikolsk-Ussuriisk protocol of December 3, agree to the restoration of the situation existing on the C. E. R. prior to the Soviet-Chinese conflict and based upon the Peking and Mukden agreements.

"All outstanding questions which arose during the period of Joint Soviet-Chinese management of the railroad are to be solved at the forthcoming Soviet-Chinese conference. Accordingly the following measures are to be immediately carried out.

(a) Restoration, on the basis of the old agreements, of the active management of the C.E.R. and resumption by the Soviet members of the management of their duties. Henceforth the Chinese chairman of the management and the Soviet vice-chairman of the management must act only jointly, in conformity with Point Six of Article One of the Soviet Mukden agreement.

(b) The restoration of the former proportion of offices held by Soviet and Chinese citizens and the reinstatement (or immediate appointment of new candidates should such be recommended by the Soviet) of Soviet citizens to their former offices of chiefs and assistant chiefs of departments.

(c) The orders and instructions on the railroad issued on behalf of the management and administration of the C.E.R. beginning from July 10, 1929, to be considered by the local management administration of the railroad.

II. All Soviet citizens, without exception arrested by the Chinese authorities after May 1, 1929, and in connection with the conflict to be immediately released without subdivision into any categories, including the Soviet citizens arrested during the search of the Harbin consulate on May 27, 1929.

The Government of the Soviet Union also immediately releases all Chinese citizens, without exception, arrested in connection with the conflict, and interned Chinese soldiers and officers.

III. All workers and employes of the C.E.R. who are citizens of the USSR and who were discharged or resigned, beginning July 10,1929, to be given the right and opportunity to return immediatly to the positions they held prior to their discharge or resignation and to receive the money owing to them from the Line.

Those discharged and resigned who fail to utilize this right must immediately be paid the full wages, pension dues, etc., to which they are entitled.

Vacancies may be filled only by a proper order from the lawful management and administration of the C.E.R. and all former Russian citizens, who are not citizens of the USSR, employed by the Railway during the conflict, must be summarily and immediately discharged.

IV. The Chinese authorities to disarm immediately the Russian White Guard detachments and deport from the Three Eastern Provinces their organizers and inspirers,

V. Leaving the question of the resumption of full diplomatic and consular relations between the USSR and China open until the Soviet-Chinese conference, both parties consider it possible and necessary to restore Soviet consulates on the territory of the Three Eastern Provinces and Chinese consulates at their respective points in the Soviet Far East.

In view of the fact that the Government of the Soviet Union declared, on May 21, 1929, that "since the Chinese authorities proved by all their actions their clear unwillingness and inability to reckon with the generally accepted principles of international law and customs, it, on its part, does not henceforth regard itself as bound by these principles in its relations with the Chinese representation in Moscow and the Chinese consulates in Soviet territory and that this representation and these consulates will no longer enjoy extra-territoriality to which international law entitles them," and that both parties intend to restore consular relations on the basis of conforming to the principles of international law and customs, the Mukden Government declares that it undertakes to assure to Soviet consulates on the territory of the Three Eastern Provinces full inviolability and all privileges to which international law and custom entitle them and will, of course, refrain from any actions violating this inviolability and these privileges. On its part, the Soviet Union discontinues the special regime established by it between May 21, 1929, and the rupture of relations for Chinese consulates, and grants these consulates, which are to be restored by virtue of the first clause of this point on Soviet territory in the Far East, all the privileges and full inviolability to which international law and custom entitle them.

VI. With the restoration of the consulates, an opportunity will immediately be given for the resumption of normal activity of all Soviet business organizations existing before the conflict within the Three Eastern Provinces.

A similar opportunity will be offered to restore Chinese commercial enterprises which existed within the USSR whose operations were disconnected owing to the C.E.R. conflict.

The question of commercial relations between the two countries, as a whole, is to be settled at the Soviet-Chinese conference.

VII. The question of real guarantees and the observance of the agreements and the interests of both sides to be solved at the forthcoming conference.

VIII. The Soviet-Chinese conference to regulate all outstanding questions to be held at Moscow on January 25, 1930.

IX. The peaceful situation along the frontiers of China and the USSR to be immediately restored with subsequent withdrawal of the troops of both sides.

X. This protecol enters into force from the moment of its signature."

Japanese Transfer Henyehping Loan To State Ironworks

(*Japan Chronicle, Dec. 21*)

The 50 million yen loan outstanding between the Hanyehping Iron Manufacturing Company at Hankow and the Savings Section of the Japanese Finance Department will be transferred to the account of the State Ironworks, which receive supplies of ore from the Chinese company.

On Dec. 19 a meeting was held at the official residence of the Finance Minister, when Mr. Inoue, Finance Minister, Mr. Ogawa, Vice-Minister, Mr. Tawara, Minister of Commerce, Mr. Mitsui, Vice-Minister, Mr. Nakagawa, President of the State Ironworks and other officials concerned were present. Mr. Inoue strongly advocated the transfer of interests to the Goverment Mill, it is reported, stressing the point that the iron industry, as represented by State enterprise, had developed as it did mainly owing to the assistance given by the Chinese firm in the form of supplies of ore which was as important a factor for the growth of the industry as it had been in the past. The loan has been advanced mindful of this fact, and it was right that it should be charged to the account of the State Ironworks. Though the State Works were rather averse to the taking over of the rights, the Minister of Commerce was brought round, it is understood, to Mr. Inoue's view, and it was practically decided that the 50 million yen be credited to the State Ironworks, which was to pay in return that amount to the Savings Section in yearly instalments.

The loan consists of several advances. The one advanced through the Industrial Bank from June, 1909, to February, 1925, and due in 1925, amounts to Y2,051,000 at 5.5 per cent: the one handled through the Yokohama Specie Bank from 1914 to 1925 in fifteen portions, due from 1959 to 1966, at 5.5 per cent, amounts to Y34,153,000; the balance of advance for the Yufan Company made in three portions from 1920 to 1923 and due in 1938 at 5.5 per cent, is Y4,146,000; the one for the South Ocean Mining Company advanced from 1921 to 1924 to be paid in 15 years after five years from the dates, amounts to Y2,500,000 bearing 6.25 per cent. These total Y42,850,000, which, when interest overdue is added, makes approximately 50 million yen.

The transfer will be effected with the consent of the Diet to which the bill will be presented.

King of England Sends Message to Chiang Kai-Shek

A *Reuter* telegram from London, December 31, stated that King George, replying to New Year greetings from General Chiang Kai-shek, cabled a reply reading as follows; "With much pleasure I received your kind message of New Year greetings on behalf of the National Government and people of the Republic of China and I sincerely reciprocate your good wishes."

The Task of the Kemmerer Commission

(China Critic for Dec. 26, 1929)

On the eve of Dr. E. W. Kemmerers' departure for his homeland, all the hopes to which his Commission gave rise over a year ago remain yet unfulfilled. The financial reforms which the nation has been awaiting with keen interest are as remote as they ever were, and the currency system throughout China is as chaotic as before. Perhaps Dr. Kemmerer himself is no less disappointed than we are. Mr. T. V. Soong, Minister of Finance, who was responsible for the creation of the Kemmerer Commission, was frank enough to admit, at the farewell dinner given in honor of the financial expert and his colleagues, that recurrent civil strife has prevented the execution of the measures of reform. Thus he says:

"Dispassionate scientific investigations of our currency and finance by such distinguished students as the Kemmerer Commission have a value for China and the world, which will outlive the fortunes of individual ministers or cabinets. And as I told Dr. Kemmerer at the time, it may not be my good fortune to see his plans carried to fruition under my own ministry, but he may rest assured that some future minister of finance will.

"The time has now come to say good-bye to the Kemmerer Commission. I must confess that it is a matter of poignant regret to me that the Government has been so much engaged during the year with the task of defending its mere existence that it has not been able to embark on a period of reconstruction, and consequently we have not been able to carry out any of the recommendations of the Commission. However, I have already had the pleasure of considering very carefully the many projects submitted by the Commission, and I am sincerely convinced that their recommendations are at once sound and necessary, and some of them even appear to me as inevitable and only await the day of peace to be carried out successfully. It is indeed some consolation to us that even if like Moses we should be unable to tread the Promised Land ourselves, at least like Moses we may view it afar."

Gold Standard Recommended

Much as we may wish to agree with Mr. Soong on the pleasure of viewing the promised land from afar, it is not a little painful to experience all the hardships attendant upon the chaotic conditions of our currency system. The only consolation we have in store is that the Kemmerer Commission has left us a report recommending certain measures of reform and that certain of the "key-men" will remain to help carry out these recommendations.

One of the principal recommendations as we understand, is for the introduction of the gold standard. Though a gold standard is the only practical way to put an end to the extraordinary fluctuations to which Chinese currency is subject, we are still at a loss to know how such a radical reform may be safely introduced without further jeopardising the whole financial system. Only in the very remote future can we hope to see the recommendation carried out. In the meantime what shall we expect of the Government in the way of financial reform?

The basic currency of this country is subject to a four-fold fluctuation. First we have the coppers, the rate of which depends upon the fluctuations of the silver coins, commonly known as "small money." The rate of small money is dependent upon that of the Mexican dollar. This is in turn influenced by the rate for the nominal tael which is seldom seen by the public. The tael is controlled by the rate for gold currencies. It is evident that the people whose daily expenditure is based upon coppers is subject most to the various fluctuations. The hardships caused by the chaotic currency system weigh most heavily upon the lowest class of our people. In other words, the most serious hardships are borne by those who are least able to bear them. This state of affairs has led to much dissatisfaction among the working classes and is probably responsible for much of the labor unrest.

Importance of Stable Money

The necessity of a stable money is well recognised by financial economic experts all over the world. The organisation of the Stable Money Association in America by such outstanding figures as Mr. Owen D. Young and Mr. Kemmerer and others is an eloquent proof of the necessity of a state currency for every country. Thus Mr. Young says:

"The stability of money goes to the very basis of life and when any sudden change affects the purchasing power of money, it touches every kind of moral question and every kind of obligation."

Or in the words of Dr. Kemmerer who was the former president of this Association:

"It (the stabilization) is the most important problem before the business and banking interests of the world today."

Realising such necessity the National Government should exert its best effort toward the improvement of the chaotic condition. It is true that nation-wide refroms may not be possible before the National Government has full control over all the provinces. In the meantime regional reforms may be introduced step by step, and the way be paved for the ultimate introduction of all reforms on a larger scale. The first reform which seem advisable is the abolition of the tael system. More than a year ago we were led to believe that this obnoxious system would be abolished in the beginning of this year. Now that a year has gone by, nothing has ever been heard that would even encourage us to cherish such a hope. An immediate announcement by the Government would relieve us of much anxiety and speculation. Another equally urgent reform is the abolition of "small money." This has been made easier of realisation by the introduction of 10-cent and 20-cent bank notes of full pan value. The existence of "small money" has created a class of parasites, namely the money exchanges, which thrive on losser which are borne by the public. Both reforms must have been provided for in the report of the Kemmerer Commission and is our opinion they should immediately be carried out. In any event the Government should make known the essential points of the report, so that public support may be lent toward the fulfilment of the recommendations embodied therein.

Otis Elevator Co. Opens Branch Office in China

The Otis Elevator Co., which maintains incorporated organizations in the United States, England, Canada, France, Germany and Italy, and which was formerly represented in China by the American Trading Co., has opened its own offices in Shanghai with R. E. Lunkley, who for nine years had been manager of the engineering department of the last-mentioned firm, in charge. The new office is located in Sassoon House. Otis elevators form part of the equipment of nearly all the better class buildings in Shanghai and Tientsin, and the business has grown to such proportions that the Otis Elevator Co. has decided that its interests would be best promoted by opening their own branch here. Mr. Lunkley returned several weeks ago from New York, accompanied by D. N. Carpenter, an engineer-estimater of the Foreign Division of the New York Office. F. T. Steingraber, general auditor of the Otis Co., has also arrived in Shanghai and will remain here for a month or so to organize the accounting system for the new office. C. M. Campbell, construction superintendent, and the old American Trading Company's Chinese fitter staff, will form a part of the new organization.

Neal McKay Heath Starts Serving Sentence

Neal McKay Heath, convicted in the opium bribery trial in Shanghai in 1926, has commenced to serve his sentence of 18 months imposed by Judge Purdy in the U. S. Court for China. The sentence will be served at McNeill's Island, state of Washington. The delay in the serving of the sentence was due to the fact that Heath was successful in securing a release on *habeus corpus* on a technicality, shortly after his conviction. The Government's appeal against the release was successful and in February last, the Circuit Court of Appeals decided that Heath must serve his sentence. Since that time Heath had been a fugitive from justice, but on December 31 he surrendered himself, saying that he wished to start the New Year right.

South Manchuria Railway Makes Huge Profit in 1929

According to a paragraph in the *Japan Chronicle* December 14, the South Manchuria railway estimated its net profit for the current year at 46 million yen, and there was every indication that the distribution on private-owned share capital would be maintained at 11 per cent per annum. The Board of Directors may bring out a loan of 30 to 50 million yen in May or June next. The company has approximately 32 million yen and 7 million yen in its favor with Manchurian and Japanese banks in addition to 10 million yen government stocks.

Record of Soviet Aggression in Manchuria

This is the fifth installment of incidents recorded by the Harbin newspapers showing the acts of spoliation perpetrated by the Soviet forces in Chinese territory. The fourth installment was published last week.

Nov. 1—At 7.45 a.m. when train *No.* 94 was running down the decline leading from st. Tsipinling to Hsilinho, a mine was exploding under the locomotive. The latter and six cars were derailed, the driver being seriously hurt whilst his assistant and two oilmen escaped with slight injuries.

Nov. 2—Soviet aeroplanes reconnoitered the region Pogranitchnaya-Mulin. Several bombs were dropped in the vicinity of Mulin station but without result.—(*Kung Pao, Zaria, November 5*)

Nov. 3—Soviet troops again made a raid into the Sh'i-wen district on the river Argun —(*Russkoe Slovo, November 7*)

Nov. 4—A band of 19 terrorists were arrested in the hamlet of Chen-ho (a suburb of Harbin).

Nov. 8—Red troops captured and carried off into the hills a group of hunters and fur traders.—(*Kung Pao, No. 870*)

Nov. 8/9—Soviet aeroplanes flew over and reconnoitered st. Pogranitchnaya and district.—(*Kung Pao. No. 871*)

Nov. 11—At 7 a.m. Soviet forces attacked our position in the vicinity of Manchuli station but were repulsed.—(*Kung Pao, No. 873*)

Nov. 12—Soviet aeroplanes reconnoitered our positions in the vicinity of Manchuli station.

Nov. 13—Reconaissance flight was likewise conducted in the region of Tun-Chien, Fu-shin and Sahalian.—(*Kung Pao, No. 875*)

Nov. 14—According to information from Hailar the Soviet authorities are making attempts to recruit troops for a special Mongol army with purpose of attacking Hailar.

Soviet aeroplanes reconnoitered the regions of Manchuli-Chalainor and Pogranitchnaya station.—(*Kung Pao, No. 876*)

Nov. 15—Four bombs were found in the grounds of the C.E.R. Central Hospital at Harbin.

Soviet artillery shelled gold mines on the Chinese bank of the Amur river. It is reported that houses have been destroyed and that some people have been wounded.

A Soviet aeroplane flew over st. Manchuli.—(*Kung Pao, No. 877*)

Nov. 16—Soviet aeroplanes reconnoitered the region Chalainor-Tsagan.—(*Kung Pao, No. 877.*)

Nov. 17—Early in the morning Soviet forces supported by artillery and 20 aeroplanes launched an attack with the objective Manchuli-Chalainor.

Passenger train No. 4, due to shell and shrapnel fire, was brought to a stop on the sector Chalainor-Tsagan. The train was then attacked by Soviet cavalry and looted. Passengers were carried off as prisoners. Soviet aeroplanes bombed st. Manchuli, Ch'atailo, Chalainor mines and Hailar.

Soviet aeroplanes flew over our positions at Pogranitchnaya and dropped several bombs in the vicinity of st. Ehuo.

Ten Soviet aeroplanes bombed the town of Mishan.—(*Kung Pao, No. 878*)

Nov. 18—Soviet planes bombed st. Tsagan and the town of Hailar.

Soviet aeroplanes reconnoitered the region of Pogranitchnaya-Mulin-Muchin-tien. Over thirty bombs were dropped at Muchiatun and six at st. Sochintsu.

Soviet forces entered Chinese territory in the Mishan district and robbed the inhabitants.—(*Kung Pao, No. 879*)

Nov. 19—Soviet aeroplanes reconnoitred the town of Hailar.

Information as to formation of bodies of Mongol forces by Soviet authorities is now fully confirmed.—(*Kung Pao, No. 879*)

Nov. 20—Five bombs were dropped by Soviet aeroplanes at st. Sochintsu.

Soviet aeroplanes reconnoitered the region Pogranitchnaya-Sanchagow (Tun-Yun).

Soviet aeroplanes raided and bombarded st. Tsagan: station master mortally wounded.—(*Kung Pao, No. 881*)

Nov. 21—A bombing fleet of Soviet planes flew over Hailar and bombed the town. The region of Manchuli-Chalainor-Tsagan is occupied by Soviet troops.

Nov. 22—Soviet aeroplanes dropped bombs on the st. Ma-ts iao-ho.

Soviet aeroplanes reconnoitered the region in the vicinity of st. Horhontu-Wankun.—(*Kung Pao, No. 882*)

Nov. 23—At 11 20 a.m. the town of Hailar was bombarded by Soviet aeroplanes.—(*Kung Pao, No. 883*)

Nov. 24—Bombardment of Hailar by Soviet planes was repeated to-day at 4 p.m.—(*Kung Pao No. 884*)

Nov. 25—A Soviet aeroplane reconnoitered the region in the vicinity of Puhetu and Tun-Yin.—(*Kung Pao, No. 885, 86*)

Nov. 26—At 8 a.m. Soviet planes reconnoitered the region of Pogranitchnaya-Mulin and dropped several bombs on the Mulin Coal mines.

The towns of Mishan-hsian and Pin-an-chien were shelled by Soviet artillery.—(*Kung Pao, No. 885*)

Soviet aeroplanes reconnoitered the region in the vicinity of st. Mulin.

Nov. 28—At 2 p.m. twelve Soviet aeroplanes bombed the town and station of Puhetu (400 klm. distant from Manchuli)—(*Kung Pao No. 888*)

November Shipments to U. S. A. Below Average, but Silk Held Up Well

Statistics prepared by the American Consulate General at Shanghai covering exports from all the ports in China show that during the month of November cargo to a value of $11,-908,486 was exported to the United States, the total for the first eleven months of the year being $152,405,178. It will be seen, therefore, that the exports during November were somewhat below the normal average. Silk accounted for more than half of the total, the exact figure being $7,707,531. In this figure is included the very substantial amount of $314,903, which represents waste silk. Carpet wool exports ran above the average with a total for the month of $1,181,778. There was an exceptional export of fibre hats, almost a quarter of a million dollars' worth. There was a particularly strong export of cotton, something over a million dollars—more than was exported in all of the preceding ten months. Sova bean oil, oil seeds, and shelled peanuts all had fallen off from previous averages. Shelled peanuts, for example, were shipped to a value of $1,196,661 during the 11 months, but only $29,127 worth in November. Shipments of furs were exceptionally light; for example, whereas more than a million dollars worth of squirrel skins were shipped in the previous ten months none whatever were sent out in November. All prices are U. S. gold.

A Memorial for the Late Dr. J. E. Williams

The *Chinese Recorder* for January contains a picture and translation of a memorial which was erected in Nanking several months ago in honor of the late Dr. J. E. Williams, vice-president of the University of Nanking, who was killed by Chinese communists in connection with the Nanking incident in 1927. In connection with a translation of the inscription on the memorial which was written by Dr. C. T. Wang, Minister of Foreign Affairs, there are two illustrations, one of Dr. Williams and the other a photograph of the memorial tombstone with Dr. C. T. Wang, Fan Kwang and Z. T. Ing of the Ministry of Foreign Affairs standing alongside. The translation of the memorial stated "that the Chinese people rated Dr. Williams as one of China's best friends in the Western Hemisphere; that his death awoke the Chinese people to the cold fact that there was no other alternative but to purge the Kuomintang of its Communist members ... to which extent Dr. Williams is to be classed as one of China's real benefactors, etc."

American-Japanese Company to Can Crabs on Alaska Coast

Canned crabs, which form an export from Japan to America, running into millions, are to receive an added boost through a contemplated American-Japanese enterprise to can carbs on the Alaska coast. A company is to be formed in Seattle with a capital of half a million yen with executive offices in Hakodate, Japan, and in the first year five crab-canning vessels are to be sent out, with the hopes that it will be necessary to send out more vessels each year as the business increases.

How Much Is a Mexican Dollar Worth?

BY MAXWELL S. STEWART

WHEN foreigners first come to China they naturally continue to think in terms of the particular monetary standard prevailing in their homeland. An American, for example, is likely to think of the Mexican dollar as being worth about forty cents U. S. currency, and to make all of his financial calculations on that basis until he wakes up to find that he has been unnecessarily squandering his money. The old-timer will say that the quicker one forgets his gold standard in China the better it will be for his pocketbook, and will maintain that it is far more satisfactory to think of the Mexican dollar as being equivalent in purchasing power in China to the American dollar in the United States. This point, however, is likely to be hotly contested by others, particularly in the well-to-do class, who may insist that the cheapness of the cost of living in China has been greatly exaggerated. And most of the discussions of this point are utterly lacking in exact information, largely because reliable statistics on the subject are virtually non-existant.

One of the reasons why it is so difficult to determine the relative cost of living in China is because the ratio between the various demands upon one's budget is by no means the same in China as it is in the west. Servants, labour costs and many hand-made articles are incredibly cheap, while transportation and many manufactured articles are relatively expensive. Since there is such a variation, it is obvious that a standard budget which has been prepared on the basis of the standard of living in the United States, for example, could not give a completely accurate picture of living costs in China However such a budget can give us some idea of the relative purchasing power of the dollar in both countries.

Peiping Prices and those of America

The United States Bureau of Labor Statistics for some years used as the basis of price index a list of twenty-two commodities which were weighted according to the average yearly consumption of a family of five among the working classes. The following table reproduces this standard with the exception of three special cuts of meat the prices of which were unobtainable in Peiping. In this table the prices in gold in a mid-eastern American city are compared directly with the prevailing prices in local currency in Peiping. Of necessity such price statistics cannot be completely representative in either case, but they represent what might be termed the most frequent price in each locality.

COMPARISON OF FOOD PRICES IN UNITED STATES AND CHINA

	Amount used	May Price	Total Cost	Nov. Price	Total Cost	May Price	Total Cost	Nov. Price	Total Cost
1.	55 lbs.	G$.30	G$16.50	G$.28	G$15.40	M$ .70	M$38.50	M$ .70	M$38.50
2.	84 lbs.	.12½	10.50	.12½	10.50	.35	29.40	.35	29.40
3.	117 lbs.	.42½	49.14	.47	54.99	1.00	117.00	1.00	117.00
4.	68 lbs.	.40	27.10	.40	27.20	.30	20.40	.20	13.60
5.	85 doz.	.32	27.20	.48	40.80	.20	17.00	.30	25.50
6.	355 qts.	.167	59.29	.167	59.29	.30	106.50	.273	96.92
7.	16 lbs.	.30	4.80	.35	5.60	1 10	17.60	1.20	19.20
8.	454 lbs.	.036	16.34	.035	15.89	.06	27.24	.07	31.78
9.	225 lbs.	.10	22.50	.10	22.50	.09	20.50	.09	20.50
10.	227 lbs.	.04	9.08	.039	8.85	.04	9.08	.045	10.21
11.	269 lbs.	.055	14 80	.058	15.60	.115	30.93	.115	30.93
12.	70 lbs.	.18	12.60	.18	12.60	.15	10.50	.14	9.80
13.	70 lbs.	.35	24.50	.35	24.50	.25	17.50	.24	16.70
14.	70 lbs.	.24	16.80	.25	17.50	.20	14.00	.18	12.60
15.	114 lbs.	.28	31.92	.30	34.20	.20	22.80	.21	23.94
16.	25 lbs.	.063	1.58	.063	1.58	.06	1.50	.07	1.75
17.	882 lbs.	.05	44.10	.03	26.46	.03	26.46	.03	26.46
18.	47 lbs.	.39	18.33	.49	23.03	1.45	68.15	1.60	75.20
			G$413.79		G$424.19		M$605.81		M$610.74
(a)			100		100		146		144
(b)			G$265.73		G$265.88		M$242.32		M$245.63
(c)			100		100		97.3		99.3

Commodity.—1. Bacon 2. Lard 3. Butter 4. Hens 5. Eggs 6. Milk 7. Cheese 8. Flour 9. Bread 10. Cornmeal 11. Sugar 12. Plate Beef 13. Sirloin Steak 14. Chuck Steak 15. Pork Chop 16. Rice 17. Potatoes 18. Coffee

(a) Index number of prices in China in relation to the United States.
(b) Total after subtracting 5 Commodities not used in China.
(c) Index Number.

It will be noticed that there are considerable seasonal fluctuations in prices both in the United States and Peiping, but that the ratio between the two sets of prices is virtually the same in May and November, in general, one is reasonably safe in saying that on the basis of this standard budget, prices are about forty-five per cent higher in local currency in Peiping than the corresponding prices in the United States in gold dollars. If one were to reduce the local currency to a gold basis at a ratio of one U.S. dollar for 2.50 local currency, it would be found that the prices in Peiping were only 58% of those in the United States.

Articles Difficult to Obtain in China

However, there are five articles on the above list which are not easily obtained in China because they do not constitute a part of the normal Chinese diet. These are: bacon, butter, cheese, milk and coffee. Obviously these commodities should be comitted if a fair index of relative prices is to be obtained. The second row of totals on the above total gives us the results of this correction. Remarkable as it may seem, the fact is that the prices of the fourteen remaining articles are actually lower in China in local currency than they are in U.S. dollars in Eastern United States.

Inasmuch as a family normally adapts its expenditures for the different commodities according to the prices prevailing in the particular locality in which they find themselves, it is clearly unfair to take as the only basis of our estimate the relative amount spent for various types of food in the United States. But unfortunately it is impossible to use a similar standard budget in China for comparison with U. S. prices because many of the most important articles in the Chinese diet are unobtainable in the New World. A compromise basis would be the amounts of various commodities used by a foreign family in China using foreign food, but adapting the relative amounts of the various foods somewhat to prices in China. The following table gives us such a budget with the prices and amounts required in each of the two countries for a family of two. The prices given are as nearly as possible what might be described as the most frequent or usual price taking the entire year into consideration. The prices are for 1928. On some of the more important items of the budget the prices have decreased since its preparation.

RELATIVE COST OF FOOD SUPPLIES IN CHINA AND U. S.

Commodity	Quantity Used		Peiping price in Mex. Dollars	Total Cost	U. S. Price Gold	Total U. S. Cost
Milk	365	quarts	$ .30	$109.50	$.18	$65.70
Butter	25	lbs.	.964	24.10	.47	11.75
Cheese	5	,,	1.20	6.00	.45	2.25
Flour	220	catties	.09	19.80	.464	10.20
Bread	35	lbs.	.09	3.15	.10	3.50
Sugar	80	,,	.115	9.20	.058	4.64
Meat	140	catties	.25	35.00	.30	42.00
Eggs	100	dozen	.24	24.00	.45	45.00
Cereal	70	catties	.08	5.60	.04	2.80
Rice	25	,,	.10	2.50	.084	2.10
Potatoes	120	,,	.04	4.80	.04	4.80
Sweet Potatoes	180	,,	.025	4.50	.033	6.00
Corn Meal	50	,,	.06	3.00	.05	2.50
Vegetables	1700	,,	.05	85.00	.08	136.00
Fruit	250	,,	.08	20.00	.05	12.50
Chicken	12	,,	.25	3.00	.50	6.00
Peanuts	140	,,	.10	14.00	.15	21.00
Onions	250	,,	.04	10.00	.05	12.50
Coffee	2½	lbs.	1.60	4.00	.49	1.47
Tea	50	oz.	.08	4.00	.05	2.50
Salt	36	lbs.	.10	3.60	.02	.72
Lard etc.	20	,,	.30	6.00	.125	2.50
Condiments		—	—	1.80	—	.90
Totals				$402.55		$399.33

The totals required in the two currencies are so nearly equal that the difference cannot be said to have any significance whatsoever. It is interesting to note that one item alone, milk, makes a difference of over forty dollars in the totals. If the amount of milk used were reduced to one pint a day, which is probably more nearly the average for a family of two, the cost of the entire list would be approximately twenty dollars less in China than in the United States, disregarding the distinction between currencies. The two milk products, butter and cheese, which have been included also seriously bias the totals. But, on the other hand, it is only fair to point out that the large item for vegetables represents only an approximation, and the U. S. prices, especially, may be open to question.

Silver Dollar Equals Gold Dollar

It is not claimed that this second table is necessarily representative of the majority of foreign families in China.

Sun-Maid
Raisins

Contain Iron
and Sugar

It simply gives the actual expenditure of one family as an indication of the effect upon the ratio when an attempt was made to adapt one's diet to those commodities which are native to China. The results, although not exact, do correspond in a remarkaole manner to those of the first table and strongly indicate that for food one dollar silver is the equivalent in China of a dollar gold in the United States. These figures are for what we in China call "foreign food". For the type of food which the Chinese themselves eat, much the same is true. All the staples which play such an important part in Chinese food—rice, wheat flour, and corn-meal are slightly more expensive in China than in U. S., but this is counter-balanced by the extreme cheapness of vegetables and the comparative inexpensiveness of meat and eggs.

Men's clothing may be said to average from twenty-five to forty per cent more expensive in China, but tailor-made suits are considerably cheaper than in the United States. Women's clothing, however, varies so greatly according to style that no direct comparison is possible. Shoes are much the same price in the two countries, but those in China are somewnat inferior in quality to the machine made footwear of the West. Chinese clothing is relatively inexpensive, for the poorer classes less than $5 local currency per person, but for the upper classes it is said to be more expensive than foreign clothing because of the large amount necessary for the different seasons and for different types of formal occasions.

It is a well-known fact that all types of labor are exceedingly cheap, and consequently servants and workmen are available for those who can afford them at a small fraction of their cost abroad. It is more unpleasant, however, to look on the other side and observe the gross disparity of incomes in China as compared with the United States. We have observed that for the purposes of real wages it is reasonably accurate to treat the monetary unit in the two countries as equivalent. In the United States, according to the latest figures, the average wage for unskilled labor is a little more than one thousand dollars a year. In North China unskilled workers receive about forty cents silver a day or about one hundred and forty dollars a year. Family incomes are somewhat more uncertain, but such surveys as have been made indicate an average annual income between $150 and $200 silver, as compared with $1300-1400 in the United States. If the purchasing power of the unit of the two currencies is approximately the same, then real wages are at least seven times as great in the United States as in China.

Yen Ching University, Peking, Jan, 1, 1929.

Road Scheme

The construction of four new inter-provincial highways to facilitate communication between the province of Chekiang and the provinces of Anhui, Kiangsi and Fukien during 1930 is provided for in the programme of the Chekiang Provincial Department of Reconstruction.

The highways will pass through the following routes:—(1) Hangchow-Anhui Highway: starting from Hankow, it will pass through Yuhang, Linan, Yichien, and Changhua terminating at Tengchi in Anhui; (2) Changshan-Yungchia Highway: starting from Changshan, in extreme eastern Chekiang, it will pass through Chuchow, Suichang, Sungyang, and Yensui, terminating at Wenchow; (3) Ningpo-Fukien Highway: starting from Ningpo, it will pass through Fenghua, Ninghai, Huang-yen, Loching, Wenchow, Suian and Pingyang, finally entering Fukien: (4) Hangchow-Chinning Highway: starting from Hangchow, it will pass through Hsiaoshan, Hsihsin, Chuchi, Tungyang, Yungkang, Chenyun and Lisui, thence to branch out into two separate routes one to Kiangsi and the other to Fukien.

According to a *Kuo Min* dispatch from Hangchow construction of the first two highways has already been started, while that on the other two will be commenced mmediately.

Britisher shortly returning to England seeks agencies of Far Eastern productions. Write Box 1098 C. P. O.

Mutiny in Macao

From the Review's Correspondent

Hongkong, Dec. 27.

A big plot to overthrow the Portuguese Government at Macao and to turn this little Colony into chaos was frustrated early this week consequent to the drastic measures taken by the Portuguese authorities in bombarding and disarming the seventy or more multinous artillerymen at the Monte Fort, which is situated right in the heart of Macao City. The mutiny originated with discontented artillerymen who demanded increases on salaries and a general revision of their service conditions and other privileges. For some time the conspiracy had been going on and it is alleged from well-informed sources that all the artillerymen stationed at the four principal forts, namely the Monte Fort, Mongha Port, Donna Maria Fort and the Guia Fort, had at one time or another been involved in the *coup* to overthrow the Government. These discontented artillerymen were alleged to be under the influence and leadership of a certain Portuguese sergeant, who had recently been severely punished by the Government of the Colony for insubordination and subsequently served a brief sentence in the military prison.

Prior to arrangements between the intended mutineers in the four forts it was suggested that the Monte Fort should take action at seven o'clock on the evening of December 22 by giving a siren signal to the other three forts, which would rise simultaneously and commence a concerted attack on the Police force. Accordingly at seven o'clock the multineers at Monte Fort sirened to the other artillery forces in the other forts. Meantine a few officers were expelled from the Monte Fort and two senior sergeants who were outside the conspiracy were imprisoned as hostages at the Monte Fort. For some reasons still unrevealed the artillerymen at the three other forts failed to take action, preferring to remain loyal to the Government.

Mutineers Isolated

Having expelled and imprisoned the senior officers, the artillerymen at the Monte Fort found that they were forced by circumstances to take action and they barricaded themselves inside their own fortification. When the news reached the government authorities the latter took immediate action by ordering the whole Police force to patrol on the street and endeavored to isolate and confine the mutiny to that particular fort. The city was in a state of martial law through out December 22, 23, and 24 with the armed guards and police patrols maintaining vigil throughout the evening. The Chinese population was much perturbed and all the residents remained indoors owing to the uncertainty of the situation. For two days the mutineers gave a cold reception to the ultimatum of the Government demanding the mutineers to surrender unconditionally. The Monte Fort artillerymen remained adamant until the morning of the 24th threatening to shoot anyone who dared to approach the Monte Fort. At 8.30 a.m. on the 23rd the loyal artillerymen from three forts, the Police force under Commissioner Andrade, and the Air Force under Flight Commander Cabral, commenced a small bombardment, with the mutineers inside the Monte Fort retaliating. After a short bombardment the mutineers surrendered and as far as can be ascertained there were but few casualties, with practically no damage done to the city or the Monte Fort. It is understood that the mutineers will face a Military Tribunal. The ringleader of the mutiny was imprisoned on the Portuguese gunboat *Patria* for one day and subsequently sent to Hongkong for deportation to Portugal for trial. Macao is again very quiet now, although the usual number of holiday visitors to this little Portuguese Colony from Canton and Hongkong during the Christmas holidays had been slightly decreased on account of the troubles two days previously.

River Boat Founders

Well over 250 Chinese passengers and members of the crew on board the s.s. *Lee Cheung*, a river boat plying between Hongkong and Swabue, were drowned early this week when she encountered a north-eastern gale off Fukien Point while on her trip to Hongkong with a general cargo of cattle. The vessel carried a Chinese crew of about forty members with a Chinese captain, named Leung So, about fifty years old, and Chinese engineers and officers. The most pathetic part of the story is that all the men, women and children on board were drowned with the exception of a couple of Chinese sailors who by holding fast to a raft were subsequently picked up by passing fishing junks after remaining in the extremely cold water for over ten hours. Yesterday the Water Police picked up a male dead body near the Fukien Point believed to be one of the victims of the *Lee Cheung*. The incident is easily the worst disaster on the South China coast involving the biggest number of casualties in 1929. The loss suffered by the shipping company, Messrs. Fook Hoi Company, is considerable as the *Lee Cheung*, which was valued at $60,000, was not insured. The cargo on board together with the belongings and valuables of the 250 passengers and members of the crew was a complete and irrecoverable loss.

Who's Who in China

Mr. Chang Ngo-hua
張我華
(Chang O-hua)

Mr. Chang Ngo-hua, a native of Fengyang, Anhwei province, was born in 1886. He received his preliminary education at home and later proceeded to Japan where he joined Ming Chih University, specializing in law. Upon his graduation he returned to China and became a teacher at the Kirin Provincial Law College and several other schools in succession. He was at one time a reporter on the *Sheng Chow Daily News*. In 1912 he established the *National Central News* at Peiping. In the same year he entered political circles and was appointed a member of the Senate; a member of the Commission for Drafting a Constitution; and a Director of the Law Codification Committee. During the years 1914 to 1916 Mr. Chang followed the late Dr. Sun Yat-sen, assisting in the organization of the Kuomintang at Tokyo, Japan. In 1917 he accompanied Dr. Sun to Kwangtung where they together with others established the Constitutional Government, of which he was a member. Later he was appointed counsellor to the Generallisimo Headquarters under Generallisimo Sun Yat-sen and concurrently counsellor of the Kwangtung Army. In 1922 he was appointed advisor to the office for settlement of the Shantung Question and also advisor to Ex-President Li Yung-hung. In 1923 he established another Chinese daily paper at Peiping called *San Min Pao*. In 1924 he was appointed advisor to the Office of North-western Boundary Affairs, and also Chief secretary to the Senate. In 1925 he became Chief of the National Bureau of Tobacco and Wine. In 1929 he was appointed by the Ministry of Foreign Affairs of the National Govt. as Assistant of the Treaty Revision Committee. In November he was appointed Vice-Minister of Foreign Affairs, a position which he still holds. Mr. Chang has written many books, among which are; "A Study of the Colonial Policy", "The Quintessence of Christianity", "White Men and Asia", etc.

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上海特別市政府佈告

第一二四號

爲佈告事查江蘇交涉公署已定於本月三十一日裁撤所有向屬該署管理之事務應照外交部所定辦法由本政府按照事務之性質分配於秘書處及所屬各局辦理茲本政府決定所有關於護照註冊證明本國人出洋遊歷考查本外人傳教遊歷及保護賞恤等事項除關於領事證明有約國人民派員赴內地採辦貨物或證明商事契約或授權有書等事項應劃出交社會局辦理外均交由公安局辦理所有關於土地暨會丈審核印契報銷等事項交由港務局辦理所有關於浦塘工港財務等事項交由財政局辦理自十九年一月一日起列入市各局辦理之事項捐稅事項交由秘書處

NOTICE

Notice is hereby given that the Office of the Commissioner of Foreign Affairs for Kiangsu has on December 31st, 1929, handed over the matter of issuing registration certificates, travelling passports, visas, etc. to the Passport Section of the Bureau of Public Safety, City Government of Greater Shanghai. The location of this Section is, for the present, at the same place in the building of the former Bureau of Foreign Affairs, end of Route Ghisi. All ex-Russian subjects, Soviet Russians, Nationals of non-treaty powers, and those without nationality residing at Shanghai, are hereby required, after the expiration of their registration certificates, to apply for renewals. All foreigners under above classification shall personally bring with them their former registration certificates and two recent photographs of regular passport size together with the registration fee of 3 dollars. Those certificates which expire on December 31, 1929, must be renewed before January 18, 1930. Those certificates which expire after December 31, 1929, must be renewed one week before the date of expiration.

Noctice is hereby also given that any foreigner of above classification who has just arrived at Shanghai from another part of China or abrôad, and who has not yet been registered, is required to call in person and register at this Section within ten days after his or her arrival at Shanghai, and also to hand in the old passport or other documents to establish his or her identity, together with the two recent photographs of regular passport size and the registration fee of 3 dollars. In case he or she purposely delays in registering, or in renewing the registration certificate, the offender shall be subject to fine as according to the regulations.

No facility or assistance of any kind will be accorded to any one who fails to comply with the above notice.

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THE TWO-SWORDED WARDER OF THE TURBULENT EAST

(*Continued from page 209*)

"Have the people still the same awe of their divine Emperor?" I asked.

"In a different way, perhaps. One of the irritations of business men is that, when the Emperor passes, all the windows of the upper stories must be closed and everybody must go downstairs, as no one must stand above him or look down on him."

A dispute was on when I was in Tokyo because the windows of a new high building gave a glimpse of the windows of the Emperor's palace surrounded by its moat whose high stone walls are overhung by the branches of ancient pine trees.

Great concrete bridges and piers, warehouses and new manufacturing plants—but the click of the wooden *getas* was as noticeable in the railway stations as of old, and no larger a percentage, it seemed to me, were wearing European clothes than wore them twenty years ago.

The heart of Tokyo may have western structures and bronze statues of departed *genro* of the Mei-ji era in frock coats, but where the mass of people live there are the same one-story houses and little shops for mile on mile. They have the same thin wooden walls, the same sliding partitions with paper windows, which make life in a Japanese home as public as that of a goldfish in a bowl.

In the village in a valley at the foot of a hydroelectric plant—and no country has been quicker to develop its water power than Japan—dress, food, and sanitation were much the same as when Perry came. Electric light and bicycles (so much in use in Japan) and an occasional automobile passing on the main road marked the only vital difference. There are 47,000 automobiles in all Japan, fewer than in an American city of a quarter of a million people. Of these automobiles only 5,000 are privately owned; and the rest are for hire.

Scuff, scuff go the *getas*—wooden *getas* and cotton kimonos are cheap—to the doors of the textile factories in Nagoya and in Osaka, which now has 2,000,000 people. Wide kimono sleeves are looped back in tending the machines. Then scuff, back go the industrial automatons to squat on the mats of their wooden house, whose rents are about one-fifth of those paid by a family of factory workers in the United States. And all wanting more comforts and wishing they could have some meat instead of so much fish!

Japanese cotton mills are underselling the British not only in China but in India and other British Asian colonies. The Japanese have been buying out British mills in China until now they have 500,000 spindles there.

I saw Japanese coolie laborers carrying the earth in baskets on their backs in the excavation for the abutments of a new bridge—a job that was obviously the steam shovel's. In Japan human backs and arms, both men's and women's, are still cheaper than many forms of machinery.

Not quite the same as of old but still there, in the rebuilt Tokyo, is the *Yoshiwara*, the section of the city set aside for the prostitutes. The women are not exhibited in the windows any more, but the new facades are even more sumptuous in appeal.

It is still a dutiful act of sacrifice for girls of the poorer classes to sell themselves for sums which will relieve their parents of financial distress; and still those who survive and return with a bonus, to which they are entitled by law, may marry in their own class and become respectable wives.

Japan's Way of Handling Social Evil

Modern Japan has not yet broken with that ancient tradition which it considers the most practical solution of the social evil.

Very, very much the same were those square-shouldered stocky figures that I saw looking out of the doors of passing box cars of a train that was moving a battery of artillery. For those were specimens of the pink, the "absolutely fit," the cream of the male youth of Japan

With so many to choose from in the rapid increase of population, the army divides the men called to the colors each year into the "absolutely fit" and the "fit." The best go into the army for one year and ten months; with only ten months for certain occupational exceptions. The standing army is 200,000 of the pink.

The playgrounds in front of the schoolhouses are drill grounds. Every boy wears a uniform school cap.

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AGENTS THROUGHOUT CHINA

Every boy in the middle schools has thorough military drill. There are five million men of service age in Japan who have had military training.

In case of war, scuff, scuff—every man numbered, every peg falling into its hole—to the mobilization stations, where getas and kimonos are replaced with boots and khaki uniforms.

With more than 3,000 steamers, Japanese built, on call to transport them, it is estimated that Japan could land a million men, fully equipped, in China within thirty-five days, all being under thirty and of the "fit" and "absolutely fit" classes.

This is one reason—the most potent one, when talking ends and fighting begins—why Japan means to dominate the future of Asia. Another is her navy which guards the passage for troops crossing.

The Japanese civilian sees his army, but rarely sees ships of his navy, that mysterious supreme power of national defense whose secrets are guarded by a people who have such a gift in "the security of information." And who keeps that navy up-to-date! Perry's lesson in the value of modern arms remains deeply instilled.

Not even the most distinguished of guests, to whom the most flattering attention would be paid and for whom red carpet would be spread to the palace door, is ever invited on board a major ship of late design. At Kure, Japan's main naval base in the landlocked Inland Sea, she has concentrated arsenals, docks, and shipbuilding plants.

With her three-to-five capital-ship ratio to Britain and America won at the Washington Arms Conference, Japan no less than Britain turned to see what were the possibilities for increasing naval power advantageously in the nonlimited classes of vessels.

Submarines, Japan ought to have a few more for the defense of her straits through the island chain, although China had no navy and the Russian navy had been destroyed, she has sixteen new submarines laid down to three for the United States, and nineteen new destroyers to our none.

And light cruisers—the type with long steaming radius which can run away from anything afloat and lick anything except a battleship or battle cruiser! Japan should hardly need them, since her problem would be one of short distances in the China seas, with the natural defense of the broad Pacific at her back.

But the far-ranging ravages of the German cruiser *Emden* in the World War had shown what damage, in a future war, a large number of fast cruisers could inflict on an enemy's shipping in distant seas. Japan has thirty-three cruisers to our eighteen. Her military policy is the offensive-defensive. Hit the other fellow before he reaches your window in the middle of the night with a jimmy

Where does Japan get the money for armaments when her wealth is about one-thirtieth and her national budget one-fourth of ours? Personnel costs little. Her conscript soldiers and sailors get barely more pay in a year than our men get in a week. But beyond that she makes a sacrifice for military power that is incredible when judged by the standards of other great nations.

Mitsui Versus Mitsubishi

Japan has her Fords, Rockefellers, Du Ponts, and Mellons, although their millions are to our magnates' as one to twenty. Two families, the Mitsui and Mitsubishi, are rivals in interlocking ownership of banks, mines, and industries. The Mitsui support the Seiyukai political party and the Mitsubishi support the Mensei. Manhood suffrage from the age of twenty-five—woman suffrage is not yet in sight—does not prevent power being concentrated in a few hands in an increasingly industrialized land. Bonuses, such as Wall Street gives to employees at Christmastime, are a method of encouraging workers by sharing profits.

There is much talk of political corruption on the part of statesmen who feel they are worthy of their hire. Descendants of samurai, who sometimes long for the good old days before westernization say that this is the result of the passing of standards; of the mixing of the *samurai*, the common people, and the outcast eta of the feudal days; of an era in which men, regardless of birth, are honored in proportion to their bank accounts.

The Mitsubishi were up and the Mitsui down when I arrived in Japan. Hamaguchi of the Mensei had just come in as premier, in place of Tanaka of the Seiyukai, who had held the reins for three years. To the victor the spoils. That meant a new governor general of Korea, a new president of the profitable South Manchurian Railroad, and new governors of the different states whose governors are appointed by the premier instead of being elected. Concentration holds in peace as in war, in modern as in feudal Japan.

The new government, pledged to retrenchment, lopped off ninety million yen in the national budget, but of this only five million were for the army and two million for the navy, and even through the earthquake disaster Japan was putting aside a sum each year toward building new capital ships when the time limit set by the Washington Arms Conference should expire.

But be Mitsui or Mitsubishi, Seiyukai or Mensei in power, there is one problem which haunts all councils. Japanese have not changed in their love of children. They want lots of them, boys. Little sister soon learns that little brother is the mighty male.

Japan's sixty-three millions are increasing at the rate of nine hundred thousand more mouths to feed every year, and this though the national death rate is so high—over nineteen to the thousand.

The area of the main islands is only that of California; and this area is so hilly that a very small per cent of it is arable. The tough bamboo grass, which seems ineradicable, prevents cattle raising. Even goats will not eat it. Japanese diet lacks the important vitamin that comes from milk products.

Pressure of Population

Does the answer to the pressure of population lie in emigration or industrialization? Whither may the excess emigrate when the white races have preempted all the temperate zone outside Asia? To Manchuria or Korea? There the Japanese, already used to a higher standard of living, is worsted in competition by the natives.

To Hokkaido, the northern island which grows good wheat and which will support ten million more people? But in this case the populace, usually so docile, will not respond to the government's direction. The government has had some success in giving those under court charges the alternative of jail or settlement in Hokkaido.

Industrialization? More factories?—when tariff walls are high and China is manufacturing cotton goods for her own consumption.

Why have so many babies? the foreigner asks. Why the Mussolinian birth-rate model instead of that of France? The racial answer you may discern before the Shinto shrines. Shintoism is the religion of patriotism, a 100-per-cent Japanese religion which seeks no converts from other races.

It calls for children to worship ancestors for the glory and beauty of Under Heaven Land. Whereas the ancestor worship of the Chinese is for the worshiper's family's sake. Shintoism assures the worshiper himself of immortality in a heaven that stretches no farther than the boundaries of Japan. The spirit of the soldier who dies for Japan will hover over his village and witness the pride of his parents in their son.

Back of the racial cult is the government's attitude. When a foreigner wrote an article in a Japanese newspaper offering his solution of the problem, the words "brith control" were deleted by the censor. The suggestion that three children were enough for a Japanese family for the present was not allowed.

So keep on having babies! A way will be found to care for the eighty millions twenty years hence as a way has been found now to care for sixty, though forty at one time seemed too many. It will be if you schoolboys drill hard and every ant in the beehive works hard.

Japan has known no famine, although a large proportion of Japanese are undernourished in the American sense, which may account for a lower average of productive energy than we have. Agitation against the liquor traffic has been almost negligible, despite the fact that so many millions of bushels of rice are consumed annually in making sake, rice beer.

Wholesale Arrest of Radicals

And what of those radical tendencies of the educated younger men of which I had heard much? Japan established colleges to meet the demand for trained men in the process of modernization. Production now exceeds demand. Parents have made sacrifices to educate their sons. No country has a greater excess of college graduates than Japan. They feel they have become samurai. It is beneath them to work with their hands.

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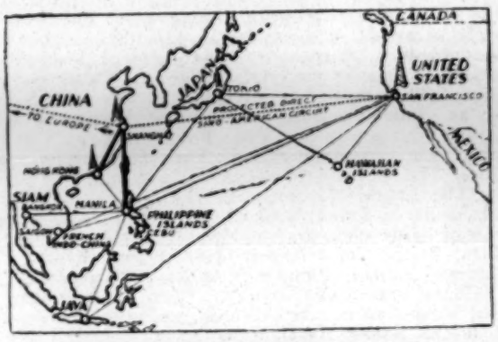

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R. C. A. COMMUNICATIONS, INC.

When a Tokyo newspaper announced that it had six jobs for cub reporters at thirty-five dollars a month, half of the thousand applicants were found worthy of examination. Embittered young intellectuals were turning Red and forming groups in touch with Moscow to Bolshevize Japan. The government gave them rope until it had the goods on them, and then suddenly pulled the noose one day in a nation-wide haul of 1,400 ringleaders, the news of which the censor suppressed for several weeks. They await trial in jails which are not of the prison-reform type. Those who are penitent and show a good spirit may be allowed to settle in Hokkaido.

The racial solidarity and wonderful patriotism of the most homogeneous of peoples remain unaffected in the mass. "Wound one Japanese and we all bleed." Their inheritance and training glue them together.

"I knew it was a heavy one," said a Japanese who was caught in his bath in the big earthquake. "At first I was scared. But I felt better when I thought that if I died lots of other Japanese would be dying too. I would have good company."

And the old wisdom in council in directing the policy of the whole! When the venerable Saionji, the last of the genro, passes, who will take their place as the divine voice of the Emperor? One suggestion is the group of former premiers; another is chosen members of the privy council; and still another, members of the imperial household close to the Emperor's person.

But the son of the great Emperor Mutsuhito, whose epoch was that of the making of modern Japan, was a weakling; and the present Emperor, while amiable and intelligent is far from having his grand-father's ability.

Be that as it may, even those youths who complain against military conscription will be in their places if there is ever a mobilization. If not they will have their heads cracked.

Always the chief of staff of the navy or of the army may go direct to the Emperor over the heads of the Minister of War or Navy and the premier.

Young Japanese army officers frequently quote Napoleon's maxim that morale is to material as three to one in war. But older officers who know the history of the World War and who thought, after Port Arthur and Mukden in the war with Russia, that Japan had a corner on courage, have changed their minds. Therefore, their appeal is to keep weapons up-to-date and industrialize on a war footing.

Japan is always willing to sit in, polite, smiling and deeply interested, at all manner of international confabs; but she puts not her trust in round-table resolutions for her security.

Her fleet is ready as it always has been to spring from its harbors, her airplanes from their fields, and a million, two million, three million armed men to cross into Asia.

Therefore, in face of the Russo-Chinese difference, the Japanese Foreign Office has been as calm as a baseball umpire on a ball field backed by a machine gun battalion. It knows China better than the Chinese government knows it.

China is Japan's near, vital, ever-pressing problem. Across the seas that Japan commands and through the region of her conquests to where, in Manchuria, her outposts meet those of the one hundred and fifty million Russians and the four hundred million Chinese.

Reported Scott Nearing Expelled from U. S. Communist Party

An *Associated Press* report from New York dated Jan. 2 stated that the New York *Times* had printed a story to the effect that Prof. Scott Nearing, well known political economist, had been expelled from the American Communist Party on account of certain articles he is alleged to have written in criticism of the methods used by the Communist Party in the last U. S. Presidential campaign. Prof. Nearing was expelled from the Universities of Pennsylvania and Toledo several years ago because of his alleged radical views. Prof. Nearing spent considerable time investigating conditions in China in 1927 and upon his return to the United States published a book dealing with the China situation.

New Books of Interest in the Far East

Another Maker of New China

Making a New China, by No Yong Park, Stratford Company, Boston, 1929. 306 pages with bibliographies at ends of chapters.

It is difficult to find out anything about this author save what appears on the blurb of his book, where he is described as "the young Oriental lecturer who is winning an enviable fame and popularity on the American lecture platform". As the book is dedicated to the Kuomintang it would look as though the whole effort was pure propaganda. The book is very poorly arranged, and has certain repetitions throughout the various chapters. It appears to be formed of a selection, or collection, of lecture material concerning China and the Kuomintang. The book is divided in two parts and chapters as follows:—Book I, entitled Making a New China, with chapters on The Foundation of Chinese Democracy, The Republic Lost, The Triumph of the Nationalists, The Chinese Renaissence, Industrial Revolution in China, The Labor Movement in the Nationalist China, Social Problems of China; Book II, entitled China's Struggle for Freedom with chapters on China in the Throes of Imperialism, British Imperialism, Japanese Imperialism, The Russo-Chinese Conflict, China's Struggle for Freedom, The Revolt of China Against Christianity. There are a number of mis-spelled proper names in the book, among them being the name Hart (Sir Robert Hart), Tsingtao and Fukien. Bibliographies are given at the end of each of the thirteen chapters.

A study of the book makes one think that the author has spent most of his life outside of China. He makes a good many statements that are quite untrue, or beside the point, while a number (not all) of his conclusions are so sane as to make one wonder how he arrived at them through his method of reasoning. He writes of the white men coming and building "their walled cities on Chinese soil", writing of 1927 he gives the impression that there was considerable fighting between Chinese soldiers and those of the Shanghai Relief Force when he says that "the retreating Northern forces stormed the international concession but they were repulsed by the foreign troops". One would think that Shanghai had been invested at that time and a regular campaign carried on. Regarding the Nationalist cause he states that in 1928 "the voice of the people unanimously praised the new regime". We read that "coolies carry sedan chairs on their shoulders across Szechuen Province at the rate of eight coppers a day". As the rate for bearers between Chungking and Chengtu was $1.00 per day as long ago as 1920 the economic deductions of this author will bear investigation.

In some instances the writer of the book has jumped at conclusions. Nowhere is this more plainly seen than in his statements about Feng Yu-hsiang's action in the spring of 1929. "He was ordered to leave for Europe as a special investigator of foreign economic affairs for the Nationalist Government. This is another of the polite ways of sending a man into exile without using that obnoxious word. Thus disappeared (please notice the tense of the verb!) one of the greatest Chinese militarists from domestic politics."

—A number of interesting facts are given regarding education. "There are thirty national universities, forty-eight provincial universities, twenty-seven private colleges and eighteen missionary universities and colleges." This, when presented to an American audience from a lecture platform, sounds imposing when the length of time of modern education in China is considered, but viewed by the China resident does it appear so truthful? How many of these government and provincial universities are now functioning, and with what standards? We see nothing of these questions in the Book.

One of the most startling paragraphs is the following—"The Shanghai International Settlement, where some 30,000 white people live, constitutes the most exclusive aristocratic center in the world. Their relation with the Chinese is as exclusive as the Indian caste system. They mingle with the Chinese about as readily as oil mixes with water. To have a Chinese acquaintance is a disgrace to them. Political equality, racial equality and social equality are unknown fables to them." It is statements of this kind which stamp the book as chiefly crude propaganda, for it is unthinkable that the educated Chinese of this city would be willing to subscribe to this any more than that the foreigners would state this rigidity of caste feeling to be their reaction toward friendships with Shanghai Chinese. Surely there are bridges over which the East and the West meet here, and many are the resulting friendships. We hear of none of them in "Making a New China".

The author says, "Today China is unified under the Nationalist Government and peace and order are maintained at home". This is pleasant talk and easy writing, but not so simple to understand by those who live in Asia. After a good deal of this sort of thing it is amazing to find some of the conclusions of the book very sane and fair-minded. One such statement is this—"The proper way to free China from the unjust and unfair treatments seems to lie, not in the attack of the foreigners and foreign powers, but in the unity at home and in the domestic development of that country. When the Chinese people are solidly united, and when an efficient government is well established, it will take little time to convince the powers to abolish extraterritoriality and scrap all the unequal treaties."

On the whole this volume is an enlightening one. It shows the arguments fermenting in the minds of Chinese reformers. If all the references listed in the bibliographies have been read and digested the author must know a great deal about China. Some of his statements belie this, but we are willing to give him the benefit of the doubt. At least he knows what he would like to know of China, and it is difficult to be impartial when writing propaganda.

G. B. S.

Chinese Experts Discuss Abolition Extrality

Abolition of Extraterritoriality in China, Edited by Li Tzhyung with an introduction by Dr. Wei Tao-ming, Minister of Justice China. Nanking: International Relations Committee.

This is a pamphlet of eight odd pages, forming one of the International Relations Series. Included is a contribution by M. T. Z. Tyau. The subject treated in this brochure is of exceptional interest at the present time in view of the declaration of the National Government declaring extrality abolished from the beginning of 1930. After discussing the origin and describing the workings of extrality the authors make the point that what the Powers are interested in is trade, but this is linked up with good-will, and as the existence of extrality has created in the minds of the Chinese people a feeling of humiliation and disgrace such good-will has been undermined. Mr. Li says that China's reasonable requests for total abolition have always been met with evasive replies.

Mr. Tyau in the course of his argument says that no amount of quibbling will divert the Chinese from their objective of securing complete jurisdictional sovereignty. The Chinese, he says, are determined that aliens in China must behave like Chinese just like Chinese when in foreign countries must. He reiterates that the program of progressive abolition must be discarded, and insists on "immediate" abolition. He then discusses what different meanings the word "immediate" may have. He suggests that if the Powers would agree to the abolition "immediately" in principle and actually by some definite near date in the future the Chinese would be quite willing to wait say until January 1, 1931. Appended to the original contributions by the authorities are copies of various official documents relating to extrality.

Japanese Monopolization of Korean Offices

In connection with plans recently discussed in Japan pertaining to self-government for Korea, the *Tokyo Asahi* published figures showing that in 1927, "of all the Government and public officials in Korea, numbering 48,800, no less than 31,800 were Japanese. Seeing that the Japanese households in the peninsula in that year totalled 119,000, Japanese officials were at the rate of one for every four households. On the other hand the Korean officials numbered only 16,000 out of the total Korean population of nearly 20,000,000. In the salaries drawn also there was a marked discrimination against the Korean officials. The pay roll for Japanese officials totalled Y34,920,000 or Y1,060 per head, that for Korean officials was Y8,540,000, or Y503 per head. If the additional pay of 40 to 60 per cent. for Japanese officials on account of their service overseas is added to their regular salaries, the disparity is further enhanced. Our Tokyo contemporary hopes that in the future appointments of officials, better consideration will be given to Korean aspirants for Government and public offices."

U. S. Air-Mail Transports 7,000,000 Pounds in 1929

According to a *United Press* report from Washington on Jan. 5, the American Air Transport Association announced that 25 domestic lines of the United States carried 7,000,000 pounds of air mail in 1929. Evidence of the growing importance of air-mail transport was provided in the figures showing that the amount carried in 1929 was twice the amount carried in 1928.

LATEST DEVELOPMENTS ON THE C.E.R. QUESTION

(*Continued from page 176*)

In reference again to the Chinese members of the Board of Directors another Harbin dispatch stated that Shen Jui-li a native of Chekiang province, former charge d'affaires in Berlin and minister to Austria and former Minister of Foreign Affairs in the old Peiping Government, had been appointed to the C. E. R. board in place of Wang Hung-shen, who had resigned.

As to the independence movement of the Barga Mongols, this question remains shrouded in mystery, reports having been circulated that the Soviet Government had withdrawn its support following the receipt of a strong protest from the Japanese Government. This, however, has not been confirmed. A report in one of the Shanghai newspapers stated that the Young Mongols, who participated in the organization of the Barga Republic at Hailar had dispersed, following the evacuation of the Red troops. Another telegram from Harbin stated some 7,000 Chinese troops had been sent to Barga.

A dispatch from Harbin in the *Sin Wan Pao* on Jan. 6 quoted Wu Ti-cheng, diplomatic representative of the National Government, who is now in Harbin as stating that "hereafter the affairs of the C. E. R. will be more complicated and it will be necessary for the Central Government to adopt a firmer policy in North Manchuria. A report in the *Shun Pao* on Jan. 6 from Nanking, stated that the Chinese Charge d'Affaires, formerly stationed in Moscow, but who had been residing in Finland since the trouble would be returned to Moscow. It also was reported that the Soviet Government might appoint a Consul, M. Ivanoff, to take charge of the Soviet Embassy in Peiping. A report from Kirin stated that Chinese troops were being withdrawn from the frontier to their original stations.

Of indirect interest in connection with the recent military clashes of Chinese and Russian troops was a report from Moscow dated Jan. 1 by the German *Trans-Oceanic* service to the effect that the Soviet Commissary of War had opened a public subscription for the benefit of the more seriously wounded soldiers of the Far Eastern Red Army, the purpose being to enable the soldiers to spend the time of their convalescence in the South Russian health resorts. The report stated that the number of wounded Red soldiers was not given, but the scale of the campaign for funds indicated that the number "must be considerable."

An editorial in one of the small Chinese newspapers in Shanghai, known as the *Shanghai Pao* published an editorial on Jan. 5 demanding the resignation of Dr. C. T. Wang, Minister of Foreign Affairs, owing to his alleged mis-handling of the Sino-Russian dispute over the C. E. R. The editorial alleged that while the Japanese newspapers reported the details of the Habarovsk preliminary conference between the Chinese and Soviet delegates, that the Ministry of Foreign Affairs in Nanking was ignorant of what was going on. The editorial stated, "The Foreign Ministry issued statements and urged 'patience' but the people of the Northeastern frontier were daily under Soviet gunfire."

The *Kuo Wen* news service on Dec. 31 issued a report stating that the Chinese National Associated Chambers of Commerce had announced that the period set for Chinese merchants to register the amount of old Russian roubles in their possession, had been extended to Jan. 15. The report stated that it was the purpose of the Chinese merchants to demand that the Ministry of Foreign Affairs insist that the Soviet Government reimburse Chinese merchants for their losses through the depreciation of old Russian currency.

A report from *The Review's* correspondent in Harbin, dated Jan. 9 stated that martial law had been abolished in Harbin on Wednesday, Jan. 8, and that while trains on the western branch of the C. E. R. were only able to reach Minatuhe, it was expected that train service to Manchouli would be resumed shortly. Reports from Harbin in the Shanghai Chinese newspapers which told of numerous clashes between Chinese and Soviet citizens along the railway indicated that the relations of the two people were none too friendly and forecasted further trouble.

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Tang Shen-Tse to "Take Trip Abroad"

That the rebellion of Gen. Tang Shen-tse in Honan province has been liquidated, practically without serious bloodshed, was indicated in reports from Honan this week, one report by the Japanese *Rengo* service from Peiping on Jan. 7 stating that as a result of a military conference at Chengchow, it was decided that Gen. Tang be "permitted to take a trip abroad." Just which country General Tang will visit is not stated, but a report in one of the Chinese newspapers stated that Gen. Yen Hsi-shan had guaranteed his safe transit to Tientsin. The *Rengo* report from Peiping said that as a result of the military conference at Chengchow (located at junction of Kin-Han and Lung-Han railways in Honan), Gen. Han Fu-chu had been appointed commander-in-chief of the Northern Route Army and that Gen. Han would undertake the job of rehabilitating the "disorderly" troops in Honan. Gen. Han was also given the job of trying to "persuade" the Kuominchun troops to make peace with the Nanking faction.

The same *Rengo* report stated that owing to the disorganized military situation in Honan province, it was not likely that Gen. Yen Hsi-shan would attempt to assume control of that area, as it had frequently been reported in the Chinese newspapers, and that Gen. Yen probably would return to his home base in Shansi. The report concluded with the statement, "the result is likely to be the inevitable strengthening of the influence of the Central Government in this part of China."

Reports pertaining to the situation in Honan, which have been issued by the official *Kuo Min* service, however, have indicated that there has been considerable fighting in that area. A report from Hankow by *Kuo Min* on Jan. 7 stated that the Government forces operating from Hankow had stormed and captured the town of Suiping, strategic city between Chumatien and Yencheng on the Peiping-Hankow Railway, resulting in the taking over by the Government forces of 3,000 rifles, 6 field-pieces, 50 machine-guns and some 4,000 prisoners. The *Kuo Min* report also confirmed the previous *Rengo* report that Gen. Tang Shen-tse would be permitted to depart from the country and that Gen. Li Ping-hsiang, a subordinate of Yen Hsi-shan would be given the job of reorganizing Gen. Tang's troops.

In view of the adjustment of the military situation on the Tientsin-Pukow Railway, a *Kuo Min* report from Nanking on Jan. 8 stated that traffic shortly would be resumed on that railway, which was interrupted several weeks ago by the rebellion of the troops of Gen. Shih Yu-shan, head of the Anhwei Government. Although it was at first reported that Gen. Shih would be permitted to retain his position in Anhwei, later reports indicated that he would be dismissed and his troops sent to some other territory or possibly disbanded. Gen. Ma Fu-hsiang, Mayor of Tsingtao, Gen. Liu Chen-hua, commander of the 11th Route, Army, and Gen. May Hung-kuei, commander on the eastern section of the Lung-Hai railway, who assisted in the liquidation of the rebellion of Gen. Shih Yu-shan's troops and also participated in the military conference at Chengchow, have now returned to their respective posts.

The uncertainty which has prevailed regarding the situation in Honan, was indicated in a report on Jan. 4 from *The Review's* correspondent at Hankow, who stated.

> "A mystery seems to be surrounding the military developments on the northern bank of the Yellow River where General Yen Hsi-shan's troops are reported to be massing. Government reports have for the last three weeks been intimating that the Shansi forces were coming down the railway and that as soon as they arrive in Chengchow they would open a drive against the rebels from the northern direction. General Yen's men (two divisions) made their entry into Honan over a month ago but up to now their assault against the insurgents has not materialized. The official explanation is that they are waiting for General Yen Hsi-shan to proceed to Chengchow and that as soon as he reaches there the attack will come down south at all. It sems that General thentic news indicating whether the Shansi leader will come down south at all. It sems that General Yen is still holding the key to the present political puzzle."

A dispatch from *The Review's* correspondent in Canton, dated Jan. 3 stated:

"To all intents and purposes the Ironside and Kwangsi rebel's invasions into Kwangtung from North and West River have definitely finished following the remarkable tactics used by the Nanking military experts assisting General Chen Chi-tang in the wars fought around Canton suburb, when in one night's time practically the whole Ironside Army was annihilated with thousands of the rebels perished on the fields and numerous crippled. Two weeks of gradual retreats of the Ironsides and Kwangsi insurgents under Gen. Li Chung-sen on the North and West Rivers respectively followed with the victorious Cantonese airplanes and infantry forces in hot pursuit rendering more losses and occasional attacks on the enemies who were further crippled.

"The retreat of the rebels from Kwangtung having been completed, to-day the Canton Government is assured that not one single rebel soldier remains in this Province. Part of the Canton Naval forces co-operating with about 10,000 of Chen Chi-tang's triumphant troops followed the Ironside rebels into Kwangsi where they are ready to undertake several weeks tedious work of rounding up and disbanding the rebel forces While General Huang Shao-hsiung of the Kwangsi rebels was reported fatally wounded and succumbed at Nanning of his wounds, another prominent Kwangsi rebel Commander in the person of General Li Chung-sen is understood to have fled from Nanning with a party of his military subordinates for Annam via Nanning and Lungchow.

"The Canton Commander-in-chief, General Chen Chi-tang remains in Wuchow and confidently expects to finish his work of reconquering Kwangsi within the coming month. The year 1930 opens with considerable hopes and anticipations among the merchants in Kwangtung at the most opportune time when the civil war in this part of China definitely comes to a cessation. Large consignments of cargo were sent to Wuchow to replenish the stocks which were exhausted during the weeks of suspension of all river communications with Canton on West River."

In accordance with recent announcements of Gen. Chiang Kai-shek. the *Kuo Min* news agency reported on Jan. 9 that the Third Plenary Session of the Central Executive Committee of the Kuomintang Party will be held this month in Nanking for the purpose of "discussing" the Government's program of political tutelage. The report also stated that the National Party Training Conference, to be held under the auspices of the Training Department of the Central Party Headquarters, which was scheduled for February 1, had been postponed to March 1. It has been rumored for some time that Gen. Chiang Kai-shek and the National State Council have in preparation some plans for governmental reorganization which will be announced at the forthcoming session of the Central Executive Committee.

Chinese "Rebel" Paper Launches Attack on Germans

A small Chinese newspaper known as the *Revolutionary Evening News*, published an editorial in its issue of Tuesday, Jan. 7, severely attacking the Germans for alleged assistance which they have rendered to Gen. Chiang Kai-shek and the National Government. The article said that Germany had concluded a treaty of peace and amity with the Chinese Government on the basis of equality, hence the Chinese were friendly toward the Germans. But now, according to the article, certain German military officers were acting as advisers to the National Government and Germans were alleged to be selling arms, ammunition, war-tanks and bombers to the Chinese Government. In view of this situation the newspaper issued a warning that unless the Germans ceased their activities, that serious trouble might result.

The allegation that the German military officers were sent to China by the German Government, is, of course, false as numerous articles in the home German newspapers have indicated. As for the charge that the Germans are selling arms to China, the same situation applies to America, Great Britain, France, Japan and all other nations in view of the withdrawal of the arms embargo several months ago. Prior to the withdrawal of the arms embargo, particularly in 1926 and 1927 the Soviet Government had a practical monopoly in the sale of arms to the Left Wing of the Kuomintang as well as the Kuominchun, which is supposed to be one of the reasons for the continued Soviet interest in the welfare of the radical and communistic elements in China. The *Revolutionary Evening News* is published in the Chinese city at Shanghai and according to report is edited by Wang Ching-wei, who recently was expelled from the Kuomintang because of his connection with the attack on Canton by Gen. Chang Fa-kwei's "Ironsides."

Japanese Dispute in Canton

(From the Review's Correspondent)

The Osaka Shosen Kaisha, the local Japanese shipping Co., is having a dispute with the Chinese Government in Canton concerning the Japanese Company's desire to construct a series of wharves and godowns on the water front in Canton suburb, Honam City. Recently the Osaka Shosen Kaisha Company purchased a large piece of land on the Honam water front with the intention of constructing wharves to facilitate direct shipping connections between Canton, Formosa and Japan. The land purchased by the O.S.K. is on that part of the river front not far from the present site of the wharf of the Butterfield and Swire Company. When this news reached the Canton Government authorities the latter on learning that the Japanese shipping company had no lease on the marine rights of all the foreshores in Canton are the property of the Government and that although the O. S K. had purchased the land adjacent to the river front they have not obtained the necessary permits from the Government. Later the Public Works Department of the Canton Government communicated with the O. S. K. and prohibited them from continuing with the building of the wharves. The matter also occupied the attention of the Japanese consular officials in Canton who applied on behalf of the O.S.K. to the Provincial Government through the Commissioner of Foreign Affairs of Canton, that an order be given to the Commissioner to grant the firm permission to continue the work of constructing the wharves.

Replying to the Japanese request, the Commissioner of Foreign Affairs pointed out that the marine rights of all the foreshores in Canton are owned by the Government and that according to the rules enforced by the Canton Government no wharves or piers of any kind are allowed to be built unless lease on the marine right is first obtained from the Government The note concluded by saying that to continue building a wharf on Chinese property without permission of the Government is trespassing on Chinese rights. The construction works on the wharves has since been suspended and it appears that the Canton Government will stand firm and remain determined to enforce the rights of the Canton Municipality.

Provincial Foreign Office Abolished

Acting in confirmation with the order of the Nanking National Government and Ministry of Foreign Affairs the Canton Government has announced the abolition from to-day of the Provincial Department of Foreign Affairs. Beginning from January 1, 1930, the former duties of the Canton Foreign Office will be taken over by the Municipal Government. which will form a new and separate department under the charge of a secretary to look after all affairs relative to negotiations and disputes involving the interests of foreign residents. The new secretary in this department is Leung Chik-wai, M.A. of Columbia University, according to the latest issue of the Govenment Gazette. In addition to being exceedingly popular with the foreign officials in Shameen, the Foreign Settlement of Canton, the new Secretary has been connected with the Provincial Department of Foreign Affairs for a number of years and was on four different occasions put in charge as acting Foreign Commissioner during the absence of his chief. It is understood that the duties of Mr. Leung include business pertaining to foreign trade and commerce, protection and control of foreigners, and the issuance of passports etc. Legal matters in which foreign interests are concerned are to be submitted to local Chinese courts, with right of appeal to the Kwangtung High Court, and a final appeal to the Supreme Court in Nanking.

Reclamation Of Canton Suburb Waterfronts

A project costing the Canton Municipality $643,000.00 to reclaim parts of the waterfront in the Canton suburb, Honan, is being launched with the co-operation of the Canton Municipality and the Canton General Chamber of Commerce, each body promising to defray half of the $643,000.00. The reclamation of the waterfront in this part of Canton promises future extension of shipping business and other trades.

Canton, Jan. 1, 1930.

Minister of Railways Moves Into New Home at Nanking

Work in the new building at Nanking for the Ministry of Railways, construction of which was started about a year ago, is being rapidly completed. The new official residence for the Minister of Railways, which is situated behind the Ministry building, was completed recently and Minister Sun Fo moved into his new home during the week.

Silver Having Reached Lowest Price in History, China Is Hit Hard

The continued and rapid drop in the price of silver during the past month has now brought silver to the lowest ebb that it has known in history. A somewhat similar decline, although not so sharp, was experienced in 1903. Back in 1871 silver was worth about Gold $1.20 an ounce. Today it is worth about gold 40 cents an ounce. During the latter part of the war years and up to 1920 there was a decided rise in the price of the white metal, so that by 1920 it was worth again about Gold 1.20 an ounce, the same as it was in 1871. Then in the following year there was a very pronounced slump to about seventy gold cents an ounce, and when the drop came there was a similar crisis in Chinese business to that there is now, in fact even more so than now, as although the price had never declined to anything nearly as low as it has recently, the rapidity of the decline was much greater.

The principal query that is on the lips of every one in this part of the world at present is: What is the cause of this low price? One of the principal Chinese newspapers in Shanghai, the *Shun Pao*, gives the following list of causes which are as logical as any that have been given anywhere:

1. Japan lifting her gold embargo.
2. India's resolution to adopt gold as her currency basis by means of which she has changed her position from one of the greatest silver purchasers in the world into one of the largest sellers.
3. Since the recent exchange trouble in New York, the American commercial strength has been much weakened, thereby relieving the strong demand for silver.
4. The demand of the world in general for silver decreasing, while the output of silver in Mexico has greatly increased.
5. With the civil warfare in China the demand for silver is relaxed in the interior. In Shanghai alone there is a silver stock of more than $200,000,000.
6. —Speculation staged by the local exchange brokers, who have no interest on the welfare of the public in general.

Having enumerated the causes as above, the *Shun Pao* notes the following ways in which China will suffer:

1.—Since Chna's import is much greater than her exports, the present silver slump will help to impoverish China's money market.

2.—With the decrease of the purchasing power of silver, the natural result is the increase of cost of living and thus the people in general will suffer immensely.

3.—Since it affects China's importers directly, it will equally affect those of the other lines indirectly, too.

The *Shun Pao* also notes that in settling its national debts with the foreign Powers concerned, the Chinese Government has to suffer tremendously through the unfavorable exchange and also it is just at this time when China is doing her utmost for construction and reconstruction work and then has to import a great deal of machinery and other necessary materials, that the slump in silver has come and the result is that these cost China very much more than had been anticipated.

Stable Money Association to Study Causes of Fluctuations

Of particular interest at the present time because of the slump in the purchasing power of the silver dollar are the efforts of the Stable Money Association, with headquarters at 104 Fifth Avenue, New York. This is an educational and research organisation whose object is to promote the stabilization of the purchasing power of money. The Association is calling the attention ot the world to the grave financial, economic and social disturbances caused by instability in the purchasing power of money. The Association maintains that the wide flucutuations in this purchasing power of money are preventable, although it does not advocate any particular method or plan.

Leaders in the fields of banking, industry, commerce, law, labor, agriculture, and economics in America, including Owen D. Young, Pierre S. du Pont, Elihu Root, Matthew Well, John L. Lewis, Frank O. Lowden, Louis J. Taber, Dr. John R. Commons, Dr. Lionel D. Edie, Dr. Wesley Clair Mitchell, Otto H. Kahn, and Charles Evans Hughes, are officers of the Association. Frederick A. Delano, Deputy Chairman of the Federal Reserve Bank of Richmond, is president.

The Association has recently published a brochure entitled "The Movement for a Sounder Money", to which such well known financiers and publicists as Owen D. Young, Norman Lombard, Frederick A. Delano, Sir Josiah C. Stamp and Carl Snyder have contributed. One of the objects of the Association is to ascertain the causes of money fluctuations and it is pertinent in this connection to say that many thousands of people in the Far East hope that the Aseociation will be able to fathom the causes of the present violent decline in silver values, concerning which there have been presented a great many hypotheses, but no really definite information.

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An advertisement of the Chinese Government Railways.

No. 4

Men and Events

Rev. Evan Morgan will address the Royal Asiatic Society, Shanghai, Thursday, January 16 at 5.30 p.m. on "Language and New Thought."

John V. Murphy of the Chinese Maritime Customs administration has been transferred from Yunnanfu to Pishihchai, which is also located in Yunnan province.

The Rev. A. F. Ufford of the American Baptist Mission stationed at Shaohing, Chekiang province, returned this week from a trip to the United States,

The Ministry of Industry and Commerce has issued a proclamation urging Chinese merchants to send exhibits to the Philippine Carnival which is held annnally in Manila.

Viloudaki & Co. with offices at 15 Peking road, Shanghai, formerly a sole proprietorship, has been incorporated under American law, with the title of Viloudaki & Company, Fed. Inc., U. S. A.

A report from Peiping appearing in the *Shun Pao* on Jan. 4 stated that five native banks in Peiping suspended operation on Jan. 1 and it was expected that ten others would also suspend before the first of February.

Dr. H. V. S. Peeke, for more than forty years a missionary of the Reformed Church of America, stationed at Beppu, Japan, died at his home at Holland, Mich., on Dec. 17, his death being due to abdominal cancer.

An earthquake shock of considerable severity was felt in Nanking at 5:55 o'clock on the afternoon of Friday, Jan. 3. The shock lasted for several seconds, but no damage was reported. Slight shocks also were felt at Yangchow and Wuhu the same day.

The Municipality of Greater Shanghai has taken over control of Soochow Creek which runs through the International Settlement aud empties into the Whangpoo River, the action of the Chinese municipality being for the purpose of extending closer police protection.

Ling Ping, Chinese Minister to Cuba, accompanied by his family and Miss Wang, daughter of Dr. and Mrs. C. T. Wang, sailed for the United States on the *President Madison* on Friday, Jan. 3. After a visit in Washington the Minister to Cuba will proceed to Havana.

Sir Miles Lampson, British Minister to China, arrived in Shanghai from Peiping on Jan. 6 and after a brief time here proceeded to Nanking for the purpose of discussing with the Chinese Minister for Foreign Affairs, Dr. C. T. Wang, the abolition of exterritoriality.

Dr. Heinz Lux, German expert radio engineer is now in Shanghai representing the German Telefunken Company, his object being to establish a system whereby pictures may be dispatched by raido between China and Germany. The cost of the new system is stated to be G. $25,000.

The alumni of Sun Yat-sen University in San Francisco held a convention in San Francisco end of December, a feature of which was a banquet presided over by Churchill Chi, editor of the *Chinese Times*, published in that city. The guest of honor was Mr. Chang, Chinese Consul General in San Francisco.

All laborers connected with the Chihlu Shantung Christian University, a missionary institution at Tsinan, Shantung province, went on strike on Jan. 3 and cut off both the electricity and water services. A report in the *Sin Wan Pao* on Jan. 4 stated that the strike had been agitated by outside interests and was anti-Christian in character.

W. Bruce Lockhart, editor of a local British weekly paper called the *Showdown*, appeared in the British Court on Monday, Jan. 6, to answer a civil complaint of libel. The case against Mr. Lockhart was brought by Wm. R. B. McBain, a local British merchant. Judge King said he would grant the order for pleadings, returnable within fifteen days.

A Japanese woman, Mrs. Tatsumi K. Cook, was granted a divorce in the United States Court on Monday, Jan. 6, from her husband George F. Cook, an American seaman. Mrs. Cook alleged that her husband sailed away from Shanghai on Feb. 18, 1926 and had not been heard from since. Bon Sung, a Chinese tailor appeared in Court as a witness for Mrs. Cook.

Admiral Tu Shih-kwei of the Chinese Navy who is on an inspection tour abroad, visited the U. S. Navy Yard at San Francisco on Jan. 3 and expressed much interest in the new cruiser *Chicago* and submarine V-6 which are now under construction. Admiral Tu will inspect the U. S. Navy yards at San Diego, San Pedro and elsewhere on the Pacific Coast before proceeding to Washington, D. C.

The Chinese press states that elaborate preparations are being made by the Chinese authorities and particularly the Ministry of Finance, to enforce tariff autonomy from February 1 next. T. V. Soong, Minister of Finance, will shortly make his proposals to the State Council, and it is understood that his plan will be accepted. However, it is understood that as regards export duties, at least, no change in tariff is contemplated.

Nelson T. Johnson, American Minister to China, was the guest of honor at a luncheon in New York City given by Karl A. Bickel, president of the *United Press* on Friday, Jan. 3. The guests included many leading businessmen and newspaper publishers. Mr. Johnson was expected to sail for China on Jan. 6 and according to announcement will proceed to Peiping before coming to Nanking to present his credentials to the Chinese Government.

According to the *Japan Chronicle*, the recent strike troubles which the General Motors of Japan has had with its workers were due to a reduction in the sales of the cars to about half the record previously reached. The company has informed its workers that the dismissals are only temporary and that it hopes to re-employ the 250 men that have been dismissed as soon as sales improve. General Motors sold 17, 500 cars in Japan last year.

News from Nanking indicates that on February 1, a new National Tariff for the Maritime Customs will be promulgated by the National Government in place of the one now in force. The new schedule, drafted by the National Tariff Commission, is now under the joint consideration of the Ministries of Finance, Foreign Affairs and Industry, Commerce and Labor, and is expected to be submitted to the Executive Yuan for adoption in the near future.

The National Bureau of Trade Marks has issued in pamphlet form, as a supplement to Trade Marks Gazette No. 17 of June 15, 1928, a List of Trade-marks Re-examined. The list comprises trade-marks that were formerly registered with the Bureau of Trade Marks, Peking, but which had in the meantime been presented to the Bureau of Trade Marks at Nanking, for re-examination under the provisions of Art. V of the Bureau of Trade Marks Act.

At the monthly meeting of the executive committee of the American University Club January 7, a vote of appreciation was adopted for the several courtesies extended; to the American Club, for the use of its dining hall; to the Robinson Piano Company, Ltd., for the loan of a Columbia-Kolster Vivatonal gramaphone; to Mr. Theodore Tu for his several vocal selections; to Mr. Bohus Ullman as accompanist; and to Mr. McNeur, for his work as cheer and song leader.

Nankai University has prepared statistics on wages in the city of Canton which show that during the period 1912-1925 both wages and commodity-prices pursued a rising course more or less steadily, with the rate of increase of wages lagging a few points behind that of commodity-prices. Since then, however, wages rose by tens of points while prices remained practically on the same level for 1926 and 1927, the period of rapid development in the labor movement of Canton.

The *Shanghai Times* on Jan. 4 printed a story to the effect that two sons and two nephews of Yee Nyoh-yen, a wealthy Chinese indigo dealer, were returned to their home on New Year's Day, the children having been kidnapped several days previously. It was stated that while the kidnappers originally demanded a ransom of $1,000,000 they finally compromised for $280,000. The boys were students at Kwang Hwa University and were kidnapped while on their way to school.

David Sarnoff, former vice-president and general manager of the Radio Corporation of America, was elected president of that organization according to a *United Press* report from New York on Jan. 4. Other officers elected included Gen. James G. Harboard, chairman of the board of directors and Owen D. Young chairman of the executive committee. The Radio Corporation of the Philippine Islands, which has an office in Shanghai, is a subsidiary organization of Radio Corporation of America.

Robert Aura Smith, staff correspondent for the *Christian Science Monitor*, Boston, accompanied by Mrs. Smith, arrived in Shanghai this week on a trip of investigation through the Far East. Mr. and Mrs. Smith were in Harbin during the concluding stages of the Sino-Russian conflict and Mr. Smith was a passenger on the so-called "international" train containing members of the Harbin Consular Body which attempted to investigate conditions in the Barga District. They are staying at the Astor House in Shanghai.

The annual reunion dinner of the Shanghai branch of the Chinese Engineering Society was held on Saturday night, January 4, in the Sun Sun Hotel. more than 500 guests and members being present. Dr. Huang Pei-chiao, president of the Association and Commissioner of Public Utilities for Greater Shanghai, presided and the guests included Dr. Hu Shih, president of the China National Institute, Mr. Shen Yi, Commissioner of Public Works for the City Government, and Mr. Chang Tse-huang, director of the Shanghai Telegraph Administration.

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Dr. C. T. Wang Host to 70 Shanghai Newspapermen

Some seventy Chinese and foreign newspapermen were guests at a New Year's luncheon at the Majestic Hotel on Jan. 3 given by Dr. C. T. Wang, Minister of Foreign Affairs of the National Government. Following the luncheon, Dr. Wang delivered an address, in the course of which he reviewed the political situation to the following effect:

"The National Government is today in a much stronger position. It has weathered many severe political storms, and all attempts by insubordinate generals to flout its authority have been successfully quelled. The need for unstinted cooperation in domestic as well as external politics is being increasingly felt, and the consciousness is developing overwhelmingly that the nation must rally behind the National Government in order to achieve peace and order within as well as complete equality and independence without.

"The Government and people of China are happy to acknowledge the cordial sympathy and friendliness shown by the Governments and peoples concerned during the past twelve months. The encouraging record of 1928 has been emulated and the retroceded Belgian Concession in Tientsin and the British Concession in Chinkang as well as the new Sino-Polish Treaty of Amity, Commerce and Navigation concluded on the basis of full equality and reciprocity, are further milestones in the road towards international goodwill and co-operation.

"What will perhaps make 1929 most memorable is the graceful gesture of the Powers concerned in agreeing to collaborate with China in the re-establishment of her jurisdictional sovereignty over foreign nationals in its territory. Such far-reaching agreement will be a step towards removing the cause of constant conflict and, at the same time, promoting the most cordial relations between the Chinese and foreigners in their midst. It is greatly to be hoped that the detailed procedure connoted by such gesture will be happily consummated during the next few months, so that China's jurisdictional sovereignty will be completely restored in the immediate future.

"It being customary for new resolutions to be made at this season, it may be stated that the other restraints upon China's freedom of action will be taken up during the next twelve months. The continued existence of derogations from the territorial government's sovereignty will delay the promotion of the most complete friendliness and harmony between China and the Powers. It is sincerely to be hoped, and the Chinese Government and people are confident in such hope, that the goodwill of the Powers already manifested will, when their attention is called thereto, be demonstrated anew."

Following Dr. Wang's address, O. M. Green, editor of the *North-China Daily News* responded and assured Dr. Wang of the sympathetic interest of the foreign newspapers and newspapermen in the aspirations of the National Government.

Anti-Christian Movement in Shantung

Kuo Wen reports that Anti-Christian activities are again revived in Shantung. Early in December, the students of Changshan and Yitu districts shouted "Down with Christianity" and "Down with the Christians", but were quickly suppressed by the educational authorities, who feared that international complication might ensue. Following which, the students of the Shantung Christian University started a movement against Christian management declaring that China must maintain her rights in educational matters. Encouraged in the students' movement, some 200 workers of the Shantung Christian University declared a strike Jan. 3, apparently against the treatment accorded to them by the University but in fact against the Christians and their management. With the wholesale walkout of the workers all public services in the University premises have come to a full stop. Of the 70 patients in the hospital many have been advised to leave, a few of serious condition being turned over to the care of the doctors personally.

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From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official) and from translations of articles and dispatches appearing in the local Chinese press.

Wednesday, January 1.—President Chiang Kai-shek receives diplomatic delegates at Nanking.—Wang Chung-hui of the Judicial Yuan in interview with press correspondents states that abolition of extraterritoriality and reorganization of Shanghai Provisional Court form turning point in China's relations with the foreign powers.—Chang Hsueh-liang releases 200 Soviet prisoners at Harbin.—Part of Yen Hsi-shan's headquarters staff arrives at Chengchow from Taiyuan and establishes provisional headquarters of vice-commander-in-chief at the Lunghai railway administration office.—Government troops occupy Kungcheng, northeastern Kwangsi, "Ironsides" fleeing towards Kweilin.—President Chiang Kai-shek in New Year manifesto makes plea for time-honored virtues and morality.—C. E. C. at Nanking commends Chiang Kai-shek in public statement for his signal services to the country. State Council seeks modification of China Airways contract.

Thursday and Friday, January 2 and 3.—Sun Fo asks Yen Hsi-shan to cooperate with railway administration.—Dr. C. C. Wu telegraphs from Washington that he has officially communicated to America China's abolition of extraterritoriality.—Dr. C. T. Wang, Minister of Foreign Affairs, entertains press representatives at Majestic Hotel, Shanghai and in the course of a speech voices the acknowledgement of the government and people of China for sympathy and friendliness shown by foreign governments in past year.—Kirin and Heilungkiang report marked success in land reclamation schemes.—Chen Tiao-yuan launches a bandit-suppression campaign in Shantung.—Mayor Ma Fu-hsiang of Tsingtao leaves Nanking for Pengpu and bears with him instructions that General Shih Yiu-san should resume his duties as chairman of Anhui provinvcial government.—Government forces report continuous successes against the rebellious units under Tang Sheng-chi in the Hsuchang neighborhood.—Yen Hsi-shan proceeds to Chengchow personally to direct campaign against Teng Sheng-chi.—Chang Hui-chang starts from Canton for Hankow where he is to command the air squadron.—Chekiang Department of Construction plans further highway extensions.—Government troops capture Kweilin, Chang Fa-kuei's troops retreating to Liuchow.

Saturday, Jan. 4.—Ministry of Foreign Affairs requests formulation of measures governing the exchange of literary and cultural publications between China and Czechoslovakia.—Chang Hui-chang reports his departure from Canton for Nanking.—Chekiang Department of Reconstruction plans construction of four new inter-provincial highways.—Liu Chih divides Hupeh into bandit suppression areas.—Ministry of Finance instructs Special Committees for the Abolition of Likin to wind up their affairs.—Chang Hsueh-liang reports officially the release of 1,200 Soviet prisoners detained at the Kiangyeh Detention House, near Harbin.—Chang Shih-yi is inducted into office as Chairman of the Liaoning Provincial Government.—Judicial Yuan considers organization of an Administrative Court.—Chiang Kai-shek approves plan of Yen Hsi-shan and Ho Chen-chun for pacification of the Kuominchun and the rebels under Tang Seng-chi.—The 1st Army of the Northeastern Defence Forces is returning to its original garrison posts.—Shantung sets the period from January to June for rehabilitation of provincial finances.—The units under Hsu Yuan-chuan, Wang Chun, Yang Shen-chi and Liu Kwei-tang will first advance against the rebels under Tang Seng-chi.—Ho Ying-ching orders general attack from the south against Tang Seng-chi.

Sunday and Monday, Jan. 5 and 6.—A general offensive against Liuchow is perpared.—Ho Ying-ching relates details of Government victories over Tang Seng-chi.—Ministry of Foreign Affairs considers attitude of powers concerning abolition of extrality sympathetic and encouraging.—Hu Han-min declares Government is confident of its ability to assume jurisdiction over and afford protection to foreign nationals.—Hu Chen Chun decides upon organization of a Hupeh Pacification Bureau.—Normal passenger service on the Peiping-Hankow railway between Hankow and Mingkwang is restored.—The Ministry of Foreign Affairs considers the withdrawal of foreign troops from China.—Yang Chao-tai formulates scheme for the improvement of police administration in the provinces.—Mo Teh-hui, Director-General of the C. E. R., prepares to leave for Moscow on the 10th to open formal negotiations.—The 19th meeting of the Conference for the Reorganization of the Shanghai Provisional Court is held.—Chang Hseuh-liang

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From Peiping to Hankow

Station / Train	Peiping	Shihkiachuan	Chengchow	Hsiaokanhsien	Hankow
* No. 1	d.18.00	a. 2.16 d. 2.56	a.17.15 d.17.35	d.11.49	a.14.20
* No. 11	d. 9.55	a.19.27 d.20.07	a.13.26 d.13.46	a.12.18 d.12.23	a.16.05
* No. 3			d.13.15	a. 7.18 d. 7.21	a. 9.50
No. 9	d. 9.40	a.18.21 d.19.01	a 10.50		
No. 23	d. 5.40	a.21.44			
No. 25		d. 3.45	a. 5.05		
No. 27			d.10.06	a.20.07 d.20.37	a. 2.33
No. 75				d.13.00	a.17.05

From Hankow to Peiping

Station / Train	Hankow	Hsiaokanhsien	Chengchow	Shihkiachuan	Peiping
* No. 2	d.18.00	d.20.39	a.14.28 d.14.48	a. 5.05 d. 5.45	a.13.50
* No. 12	d.10.50	a.14.51 d.14.56	a.13.13 d.13.33	a. 7.32 d. 8.12	a.17.30
* No. 4	d.13.30	a.16.01 d.16.03	a.10.05		
No. 10			d.17.41	a. 9.33 d.10.13	a.18.35
No. 28	d. 1.00	a. 7.00 d. 7.20	a.17.34		
No. 26			d.22.34	a. 2.15	
No. 24				d. 7.40	a.20.06
No. 74	d. 7.45	a.11.39			

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reports the release on Dec. 31 of 1,410 Soviet prisoners held in the Sungpei internment camp near Harbin. Through passenger service on the C. E. R. between Bakatu and Suifenho is restored.—Three battalions of the Kwangsi forces advance against Liuchow where the Ironsides are reported to be entrenched.—Chiang Kai-shek expresses optimism regarding the present military and political situation.—Yen Hsi-shan calls a conference at Chengchow to discuss measures for hastening the campaign against Tang Seng-chi.—Nine battalions of the units under Tang Seng-chi are reported captured by the 2nd Route Army.

Tuesday, Jan. 7.—A conference of the Central Public Health Committee will be convened Feb. 10.—Chinese banking circles in Shanghai agree to an initial subscription of $4,500,000 to the proposed 10-million dollar telegraphic loan.—Civic improvements during the first half of the year are planned for Nanking.—The first shipping bureau under the Ministry of Communications is to be established in Shanghai with Yang Ying as Director.—The Examination Yuan is formally inaugurated.—Chang Hsueh-liang reports that Moscow has been agreed upon as venue for the formal Sino-Soviet negotiations.—War refugees return to their towns along the Manchurian border from Harbin.—Ma Fu-hsiang departs from Chengchow for Hsuchow.—Yen Hsi-shan secures the consent of Chiang Kai-shek to give Tang Seng-chi a guarantee of safe conduct through the territory under control of Yen in order to facilitate Tang's departure from the country.—Suiping on the Peiping-Hankow railway is captured by the 9th Divison.

Chinese Plan Important Railway Lines in Manchuria

A recent *Kuo Min* telegram from Shenyang, Manchuria, gave details of an important project of five new railways with a total mileage of about 1,000 miles, to facilitate communication in the Three Eastern Provinces, which has been jointly completed by the various Provincial Governments concerned. The proposed new lines, which are to be started this year, are as follows:—

Kiutai-Changkiawan Railway: This line will start at the Kiutai Station of the Kirin-Changchun Railway and terminate at the Changkiavan Station on the Chinese Eastern Railway with a total mileage of over 27 miles. The proposal to construct this railway was submitted by the Kirin Provincial Government with the purpose of facilitating transportation between the Provincial Capital of Kirin and Harbin. Work will be shortly started and all construction expenses will be borne by the Kirin Provincial Government.

Hsinkingfu-Fushun Railway: The plan to construct this line was submitted by the Hsinking Chamber of Commerce which was subsequently approved by the North-Eastern Communications Committee. The line will be a semi-official enterprise and part of the construction expense will be furnished by the Shenyang-Hailun Railway Administration and part to be subscribed by the commercial interests of the two terminal cities. The length of the line will be 40 miles (120 li) and construction is expected to begin in the middle of May following completion of surveying.

Tsitsihar-Heiho Railway: The lack of communication facilities along the Heilungkiang border was keenly felt during the recent Sino-Soviet dispute when Heiho was threatened by Soviet troops. The North-Eastern Communications Committee, therefore, will petition the Central Government to reserve part of the returned Boxer Indemnity for the construction of this 600 mile line. A special representative of the North-Eastern Authorities will soon leave for Nanking to confer with the Ministry of Railways relative to the proposed construction.

Kaiping-Fuchow Railway: The construction of this lint was first proposed in 1927 but the project was dropped on account of Japanese participation, which was regarded as an infringement of China's sovereign rights. The present scheme is to make the line a semi-official enterprise, as the sale merchants in the district will subscribe for all the private shares. A petition for construction of this line will be submitted to the Communications Committee for consideration immediately after completion of the survey."

Hulan-Holihkang Railway: This line will start from Hulan and terminate at Holihkang in Heilungkiang. The plan is initiated by the Provincial Department of Reconstruction of Heilungkiang to facilitate the transportation of coal from the Holihkang mines. Construction expenses will be borne by the merchants of Hulan and Payenchow and also the Holihkang mining interests.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Shimbun Rengo News Service.

Peiping, Jan. 3.—The object of Yen Hsi-shan's trip to Honan is reported to be a general inspection of the Chengchow area.

Peiping, Jan. 3.—Wu Chi-hui, Li Shih-cheng and Hsu Ying-chang have returned here from Shansi where they went to induce Feng Yu-hsiang to go abroad.

Peiping, Jan. 4.—Yen Hsi-shan, Chao Tai-wen and Ho Cheng-chun arrived at Chengchow yesterday afternoon and immediately visited the headquarters of Han Fu-chu.

Harbin, Jan. 5.—Mo Teh-hui, newly appointed tupan of the C. E. R., and Wu Tieh-cheng, representative of the National Government, arrived in Harbin this morning.

Tokyo, Jan. 6.—The Japanese Government has decided to send Mr. Shimudzu, Japanese vice-consul at Shanghai, to Nanking to act as liason officer between the Chinese and the representatives of the Powers in the negotiations regarding the reorganization of the Shanghai Provisional Court.

Harbin, Jan. 6.—The C. E. R. Administration Office has announced that traffic on the eastern section of the railway will be resumed on Jan, 10 and that on the western section will be restored to normal on Jan. 15.

Hankow, Jan. 7.—The temperature here has fallen as low as 5 degrees below zero.

Nanking, Jan 7.—The conditions for reconciliation between Nanking and Shih Yu-san provide that the latter shall be relieved of his post as governor of Anhui, shall issue a circular telegram repenting his former rebellious activities, shall declare himself protector of the Nanking Government and that the Nanking Government shall pay him one million dollars.

Nanking, Jan. 7.—Tang Seng-chi is reported to have left Hsuchow for Tientsin en route for Japan where he will seek refuge, having secured the pledge of Yen Hsi-shan for the safety of his journey.

China's Trade Increases and Many Loan Obligations are Paid

Figures supplied recently by the Chinese Customs Administration and local trading bureaus show that China's foreign trade for the fiscal year of 1929 totaled Tls. 260,000 in imports and Tls. 962,000,000 in exports.

Imports for 1929 showed an increase of 5% as, compared with that of previous year in the form of Tls. 64,000,000. Exports for the corresponding period increased by Tls. 1,000,000. The total volume of trade was Tls. 2,222,000,000.

According to the statistics, Shanghai ranked first in import having a gross total of Tls. 600,000,000, while Dairen was the first one in exports having a total of Tls. 185,000,000.

The following table shows the exports and imports totals for different ports:

	Exports	Imports
Shanghai	Tls.180,000,000	600,000,000
Dairen	185,000,000	120,000,000
Tientsin	74,000,000	103,000,000
Tsingtao	25,000,000	52,000,000

Imports in Shanghai showed a gain of Tls. 55,000,000 over last year while exports also increased by Tls. 17,000,000. Exports in Dairen decreased by Tls. 4,000,000 but imports gained by Tls. 3,000,000, as compared with the figure of the year previous. Exports and imports for Tientsin dropped by Tls. 8,000,000 and Tls. 10,000,000 respectively.

Imports in Tsingtao, however, advanced by Tls. 15,000,000 while exports dropped by Tls. 2,000,000 as compared with 1928.

According to a statement issued by F. W. Maze, Inspector General of Customs, regarding the National Consolidated Loan Service, more than $30,000,000 were paid during 1928 on various loan services, leaving obligations in the sum of $26,924,735 in arrears.

It was also shown that the Fifth Year Loan was fully amortized according to schedule, that redemption payments on the Seventh Year Long Term Loan were made in full and on due dates, and that the Ninth Year Currency Reorganization Loan was also fully amortized, though two years behind schedule.

THE CHINA MERCHANTS' STEAM NAVIGATION CO.

NOTICE

THE Administration Office of the Acting Special Commissioner of The China Merchants' S. N. Co., Ltd. wishes to inform the public that with the appointment of the Acting Special Commissioner by the Government and the sanction of the Government of the six provisional regulations governing the powers of the Special Commissioner, the more important articles are :—

1. The Special Commissioner, being directly appointed by the Government, is solely responsible to the Government under the supervision and guidance of the Special Committee in re-organizing and directing affairs of the Company together with all its subsidiary companies; 3. The Special Commissioner has the sole power within his jurisdiction, to liquidate Company's properties, stocks, obligations and if conditions warrant to expand its business. He represents the Company in all external business and legal relationships and in dealing important cases, however, he has to report to the Government and the Special Committee for instructions.

It is therefore obvious that inasmuch as Chih Yu Real Estate Co. is a subsidiary of the Company, it should be directly and indirectly under the absolute control of the Special Commissioner and its officers should be appointed and dismissed by the Special Commissioner which are also clearly stated in the Company's regulations as well as Chih Yu's regulations. In accordance therewith the Special Commissioner, in view of the incapacity and mismanagement of Chih Yu's Manager, Marquis Li, summarily discharged him from office on December 18, '29 and appointed the Sub-manager, Ju-Chen Fu to be the Acting Manager. Contrary to all expectations, Marquis Li, in the name of Acting Chairman of the Board of Directors of the Company, is bold enough to defy the order and issued a circular telegram denouncing the act of the Special Commissioner as illegal.

Besides reporting the above grave incident to the Government, the public is hereby informed to the following effects;—

MARQUIS LI, EITHER IN THE CAPACITY OF ACTING CHAIRMAN OF THE BOARD OF DIRECTORS OR AS MANAGER OF CHIH YU REAL ESTATE CO., HAS NO LONGER THE AUTHORITY TO SIGN CONTRACTS AND DOCUMENTS ON BEHALF OF CHINA MERCHANTS' S.N. CO. AND ITS SUBSIDIARIES AND IT IS FURTHER UNDERSTOOD THAT ALL CONTRACTS AND DOCUMENTS RELATING TO CHINA MERCHANTS AND ITS SUBSIDIARIES TO BE VALID, MUST BE SIGNED BY THE SPECIAL COMMISSIONER.

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303 KA NAM TONG,
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The Status of the Chi Yu Real Estate Co., Ltd.

NOTICE

I am instructed by my clients, represented by Marquis Li, who is the Chairman of the Board of Directors of China Merchants S. N. Co., Ltd., legally empowered to do all things for and on behalf of his Board and is the Manager of the Chi Yu Real Estate Co., Ltd., to draw the attention of the public to the following statements in connection with the Status Quo Chi Yu Real Estate Co., Ltd., stands :—

(1) The Chi Yu Real Estate Co., Ltd., was formed *in the 3rd year* (1914) *of the Republic of China* and *was registered* through legal channels in May, 1929, *in the office of the Ministry of Labor and Commerce in Nanking.*

(2) The properties of the Chi Yu Real Estate Co., Ltd., in Shanghai as well as in outports, *were bought with the funds subscribed by the individual shareholders from their own share of dividends* which they made from their shipping business in the China Merchants S. N, Co., in the course of years before 1914.

(3) In accordance with the *article 3* of the *regulations of the Chi Yu Real Estate Co., Ltd.*, all the business and care of the properties of the said Company, ever since the time of its establishment, have been entrusted to the members of the Board of Directors of China Merchants S. N. Co. and have been holding the Chairman of the same Board to the fullest responsibility for all transactions of the Company.

(4) The Board of Directors of China Merchants S. N. Co., is merely acting as an agent for the said real estate company. Chi Yu is *entirely independent* of China Merchants *legally and financially* and it *is NOT one of the subsidiaries* of China Merchants as intentionly and mendaciously propagated by T. C. Chao—he merely holds a position as a government manager though he has called himself such as "acting special commissioner" in the foreign papers. The Nationalist Government *did not appoint* him as "acting special commissioner". He was *only* instructed to perform the duties of a special commissioner *before the impending condidate is announced.*

(5) The recent attempt on part of T. C. Chao, the China Merchants' government manager, in trying to take over the control of the Chi Yu Real Estate Co., Ltd., *is far beyond the limit of his powers* and *is against the present laws of the country.* A suit against his encroachment on private interest of the Chi Yu Real Estate Co., Ltd., has *already been instituted* in the *Provisional Court* in addition to *petitioning the same* to the President of the Nationalist Government.

(6) Negotiations relative to the nature of any contract in monetary affairs or otherwise in connection with the properties and management of the Chi Yu Real Estate Co., Ltd., without the signature of the responsible body as indicated herein (3), *will never be recognized under the laws of the Nationalist Government.*

(7) The tenants of the Chi Yu Real Estate Co., Ltd., in Shanghai and in outports *are hereby warned* that the illegal receipts which are understood to have been privately printed by T. C. Chao in the name of so self-called "acting special commissioner" for the purpose of collecting rents from them, *will not be recognized by the legally responsible body* (*see 3 above*) *of the Chi Yu Real Estate Co., Ltd.*

S. Y. LEE,
ATTORNEY AND COUNSELLOR-AT-LAW.
570 Chekiang Road

Jan. 9th, 1930.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Jan 9	Approx. Yield to Maturity %
The National City Bank of New York		New Stock	227	——
Argentine Government	6	Oct. 1, 1960	97	6.22
Australia	4½	May 1, 1956	83⅝	5.72
U. S. of Brazil	6½	Oct. 15, 1957	75¼	8.94
Kingdom of Belgium	7	Nov. 1, 1956	107½	6.40
City of Budapest	6	June 1, 1962	74	8.33
Canadian Pacific Railway	4	Perpetual Stk.	84⅞	4.71
Chgo., Milw., St. Paul & Pacific Railway	5	Jan. 1, 2000	73	6.88
Chicago Rapid Transit Co.	6	July 1, 1953	85	7.36
Chile Copper Co. Debs.	5	Jan. 1, 1947	95¼	5.43
Chile Government (R'way)	6	Feb. 1, 1961	90	6.78
Cuba Northern Railway	5½	June 1, 1942	63½	11.07
Chile Government	6	Sep. 1, 1961	90	6.78
Cuban Dominican Sugar	7½	Nov. 1, 1944	44⅞	——
Kingdom of Denmark	6	Jan. 1, 1942	104⅝	5.47
Dutch East Indies	5½	Nov. 1, 1955	102	5.35
Republic of Finland	5½	Feb. 1, 1958	86	6.60
French Government	7	Dec. 1, 1949	113	5.89
German Government	7	Oct. 15, 1949	107	6.36
German Central Bank for Agricultlure	6	Oct. 15, 1960	80	7.72
German Central Bank for Agriculture	6	Apr. 15, 1938	86	8.44
German General Elec. Co.	6	May 1, 1948	93	6.67
Greek Government	6	Feb. 1, 1968	82¼	7.36
Ilseder Steel Corporation	6	Aug. 1, 1948	83½	7.66
Kingdom of Italy	7	Dec. 1, 1951	96	7.38
Japanese Government	6½	Feb. 1, 1954	103	6.26
State of Minas Geraes (Brazil)	6½	Mar. 1, 1958	72	9.33
Mortgage Bank of Chile	6	Apr. 30, 1961	88	6.94
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1, 1957	89⅞	6.29
Kingdom of Norway	6	Oct. 15, 1952	102¾	5.78
Northern Ohio Power & Light Co.	6½	Jan. 1, 1941	93	7.44
Republic of Peru	6	Dec. 1, 1960	73	8.50
Paris, Lyons & Med. Rwy.	6	Aug. 15, 1958	103	5.78
Republic of Panama	5	May 15, 1963	90	5.67
State of Rio Grande Do Sul (Brazil)	6	June 1, 1968	67	9.11
Rhine Westphalia Elec. Power Corp.	6	Aug. 1, 1953	78	8.13
Saxon State Mortgage Inst	6½	Dec. 1, 1946	89	7.71
Saxon Public Works, Inc.	6½	May 1, 1951	87½	7.7[illegible]
Tokyo Electric Light Co.	6	Jun. 15, 1953	88½	7.01
United Kingdom of Great Britain	5½	Feb. 1, 1937	103⅜	4.92
City of Vienna	6	Nov. 1, 1952	83½	7.55
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.	73⅝	8.15
Belgian Nat'l. Rwy. Pcptg. Pfd. Stock	6	(Amn Shrs)	81	7.41
Cannon Mills Co. (Dividend $2.80 p. a.)		Common Stock	27	——
General Mills, Inc.	6	Cum. Pfd. Stock.	92	6.52
General Mills, Inc. (Div. $3 per annum.)		Common Stock	51¼	——
Hershey Chocolate Corp. Convertible	4	Pfd. Stock	88	4.55
Mohawk Carpet Mills, Inc. (Div $2.50 p.a.)		Common Stock	38	——
Pennsylvaina-Dixie Cement Corporation	7	Cum. Pfd. Stock.	31⅛	——
Willys Overland Co.	7	Cum. Pfd. Stock	65	10.77
General Motor Corp. (New)		Common Stock	40	——
Andes Copper Mining Co.		Common Stock	26	——
United States Steel Corp.		Common Stock	168	——
Standard Oil Co. of New Jersey		Common Stock	64¼	——
Standard Oil Co. of N.Y.		Common Stock	32½	——
Pennsylvania Railroad Company		Common Stock	72⅝	——
United Aircraft & Transport Corp. (p. v. $50)	6	Pfd. Stock	60⅞	5.32
United Aircraft & Transport Corp.		Common Stock	47⅝	——
American I. G. Chemical Corr. Conv. Debs	5½	May 1, 1949	103	5.25
Beaux-Arts Apartments, Inc. $6 1st Pfd. Stk. &		Common Stock	93	per unit
General Electric Company		Common Stock	242	——
Wright Aernoautical Co.		Common Stock	8	——
Baltimore & Ohio Railroad Co.		Common Stock	116¼	——
Leutaro Nitrate Co., Ld., Conv. Bonds	6	July 1, 1954	81	7.76

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.

Exchange Circular for Week Ending Wednesday, 8th January, 1930.

Our last issue was drawn up at noon on Monday the 30th December, occasioned by the New Year Holidays falling on 1st and 2nd January, our usual publishing day being Wednesday.

Silver:—Has sustained a serious decline during the period under review.

On Monday the 30th December, was quoted at 21⅝d. for spot and forward: On the 31st inst. 21 5/16d. and 21⅜d, on resumption of business on the 3rd inst. 21⅝d. for both positions: on 4th 21 5/16d., on the 6th inst. 20 13/16d., on the 7th inst. 20 ⅝d. and 20 7/16d., this morning 20 11/16d. and 20⅝d. forward.

The above are all new records since the year 1902. China has been reported as selling, India figuring on one occasion as a small buyer.

Exchange:—The Official rate fort T/T on London was changed as follows:—30th December from 2/1 3/4d. to 2/1d., on the 3rd inst. raised to 2/1 1/2d., on the 4th inst. 2/1d. and 2/0 3/4d., on the 6th 2/0 1/2d. and 2/0d., on the 7th inst. to 1/11 3/4, today remains unchanged.

Excepting one day the 3rd inst. when a shortlived rally took place, our market has shown consistent weakness and a downward tendency until yesterday.

Our market on Monday the 30th December after noon, became weak and rates as follows:—T/T on London 2/1 1/4, T/T on New York 51 3/8, Yen 95 1/2, Gold Bar around 457. On the 31th December in spite of lower Silver rates the market showed sings of stiffening at the close, and on resuming business on the 3rd inst. with silver quoted 1/16d, up a steady tone prevailed. Next day, however, the real collapse set in and all rates substantially marked down. Details of daily changes have been too frequent for the space at our disposal and we would close by merely calling attention to a comparison of our opening rates with those we detail ruling at noon today:—T/T on London 1/11 13/16, T/T on New York G.$48 1/2, Yen 102, Gold Bar 488 4 m/st Credits 2/0 5/8.

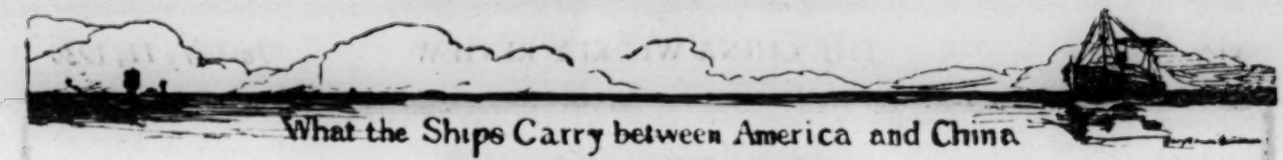
Our stocks of silverare reported as follows:—

Sycee and Bar Silver.....Tls. 103,513,000 an increase of Tls. 6290,000
Chinese and Mexican Dollars .....$ 140,030,000 an increase of $2,500,000
Etimated value Tls. 204,334,000 as against Tls. 139,101,000 held at this time last year.

	Average rates for December	Tuesday Dec. 31	Wed. Jan. 1	Thurs. Jan. 2	Friday Jan. 3	Saturday Jan. 4	Monday Jan. 6	Tuesday Jan. 7	Wed., Jan. 8
Bank's selling rates		opening closing			opening closing	opening closing	opening closing	opening closing	opening closing
T/T on London	2/2.167	2/1			2/1 1/4	2/1 2/0 3/4	2/0 1/4 1/11 3/4	1/11 3/4	11
D/Dfts ,,	—	2/1 1/16			2/1 1/16	2/1 1/16 2/0 3/4	2/0 5/16 1/11 7/8	1/11 13/16	1/11 13/16
4 m/s ,,	—	2/1 5/16		opening closing	2/1 7/16	2/1 3/16 2/1 1/16	2/0 7/16 2/0	1/11 15/16	1/11 15/16
T/T India	146.010	139 1/4			140 1/2	139 1/2 137 3/4	135 132 3/4	132 1/4	132 1/4
T/T France	1,351.833	1230			1300	1290 1278	1252 1223	1225	1225
T/T On N.Y. Demand	53.130	50 7/8 51			51 3/16 51 1/2	50 1/2 50 1/4 50 7/8 40 7/8	49 1/2 48 1/2 49 1/2 48 1/2	48 1/4 48 3/4	48 1/4 48 3/4
T/T Hamburg R. M.		212 1/2			215	212 1/2 210 1/2	206 1/2 202	202	202
T/T H'kong	77.083	80nom.			79nom	79 1/16 79 1/16	80 3/16 80 1/16	71nom.	81 1/16
T/T Japan	92.125	96 5/8			95 1/4	96 1/4 97 1/4	99 1/4 101 1/2	101 7/8	101 3/4
T/T Batavia	131.937	124 1/4			127 1/2	126 1/2 125	122 1/2 120	120	120
T/T Straits	106.229	111 1/4			110	111 1/2 112 1/2	114 1/2 117	117	117
Bk's buying rates 4 m/s B/L. Cred. D/A	2/3.573	2/2 1/4			2/2 1/2	2/2 1/4	2/1 1/2	2/1	2/1 3/16
4 m/s ,, D/P						2/2	2/1		
6 m/s ,, B/L Cred D/A	—	2/2 3/8			2/2 5/8	2/2 3/4 2/2 1/8	2/1 5/8 2/1 1/8	2/1 1/8	2/1 1/4
4 m/s B/F Cred D/A or D/P	2/4.042	2/2 1/16			2/3 1/16	2/2 1/16 2/2 3/16	2/1 1/16 2/1 1/16	2/1 1/16	2/1 1/16
	1,427.083	1370			1380	1370 1360	1335 1310	1310	1310
4 m/s N.Y.Lc.	56.583	54 1/4			54 1/4	54 1/4 54	53 1/4 52 1/4	52 1/4	52 1/4
4 m/s ,, Doc.	—	54 1/4			55 1/4	54 1/4 54 1/2 *nom.	53 1/4 52 1/4 *nom.	52 1/4	52 1/4 *nom.

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	Dec. 31	Jan. 1-2	Jan. 3	Jan. 4	Jan. 6	Jan. 7	Jan. 8
Bullion.							
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence	21 5/8		21 5/8	21 5/16	22 1/16	20 5/8	20 11/16
**New York Price of Bar Silver per oz. (Pure)	G.$.46 1/2		G.$.46 7/8	G.$ 46 1/4	G.$.45 1/4	G.$.44 1/4	G.$.44 3/4
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 453.80	HOLIDAYS	Tls. 456.30	Tls. 467.20	Tls. 478.30	Tls. 478.00	Tls. 486.00
Shanghai Silver Bars (weight Tls. 100' (Canton) 999 touch)	110.90		110.90	110.90	110.90	110.00	110.00
Shanghai Mexican Dollars per $100	72.175		72.175	72.1625	72.05	72.0875	72.05
Native Bank Rate of Interest (Call money)	2½%		2½%	2%	2%	2%	2%
*Closing Price in London for Previous day							
**Closing Price in New York for Previous day							

Bank of England rate of discount	5 %	London on Paris	T/T 123.89
Bank of France rate of discount	3½%	New York on London	T/T 4.87 13/16
London open Market of Dis. 3 m/s	4 3/16%	Bombay on London	T/T 1/5 1/32
,, 4 ,,	4 3/16%	Hongkong on London	T/T 1/6¾
,, 6 ,,	4 3/16%	Kobe on London	T/T 2/0 9/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.; Jan. Customs Rate Tls. 1.66 equal Gold $1

PRESIDENT WILSON, Nov. 25.
(Agents: Robert Dollar Co.)
From U. S. of America.

Cotton Drill, Yarn-dyed	Yds.	3,590
Cotton Suitings, Yarn-dyed	,,	1,753
Aluminium Ware	Pls.	36
Brass Screws	,,	7
Iron Pipe Fittings	,,	46
Steel, Galvanized:		
Pipe Fittings	,,	38
Steel Wire Shorts	,,	291
Tinned Plates, Plain	,,	300
Zinc Sheets and Plates	,,	75
Barley, Pearl	,,	19
Borax	,,	84
Canned Fruits	,,	171
Canned Asparagus	,,	33
Cotton Thread, Embroidery	,,	22
Grapes, Fresh	,,	42
Indigo Paste, Artificial:		
20 per cent. strength	,,	1,184
Leather, Calf or Kid	,,	15
Leather, Cow	,,	8
Leather, Sole	,,	20
Macaroni	,,	38
Oranges, Fresh	,,	200
Packing, India-rubber	,,	30
Paper, Embossed	,,	17
Paper, Writing	,,	75
Ink, Printing	,,	169
Raisins	,,	2,870
Shrimps, Dried	,,	293
Sugar of Milk	,,	225
Sulphur Black	,,	528
Bedsteads, Brass	Pcs	20
Bedsteads, Iron	,,	56
Enamelled Ironware:		
Basins	,,	1,200
Other kinds	,,	107
Machines, Sewing & Knitting	,,	18
Rubber Tires:		
For Motor-cars	,,	70
Rubber Inner Tubes:		
For Motor-cars	,,	48
Typewriters	,,	36
Cigars	Mille	8
Shoes, Leather	Pairs	283
Shoes, Canvas	,,	3,693
Dyes, Aniline	Pkgs. 392	Hk. Tls. 19,526
Motor-cars, Parts of	,,	3,859
Machinery, and Parts of	,,	69,850
Treasure:		
Silver Bars	,,	2,049,345

PRESIDENT McKINLEY, Nov. 29.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filature:		
White Shanghai	Bls. 30	Pls. 28.86
Silk, Waste, Refuse:		
Shanghai	Bls. 34	,, 106.78
Silk Cocoons:		
Tsingtao	Bls. 8	,, 22.90
Silk, Pongees, Shantung		,, 13.19
Tea, Black:		
Other kinds, Kiukiang		,, 182
Tea, Green:		
Hyson, Hangchow		,, 43
Young Hyson, Hangchow		,, 126
Gunpowder, Ningpo		,, 208
Antimony, Oxide		,, 336
Beans		,, 42
Feathers, Duck		,, 48
Feathers, Goose		,, 31
Hair, Human		,, 261
Oil, Wood		,, 4,875
Wool, Sheep's		,, 117
Skins, Goat, Untanned		,, 115
Skins, Lamb, Untanned		Pcs. 12,600
Skins, Weasel, Untanned		,, 1,935

RHINE MARU, December 3.
To U. S. of America.

Silk, Raw, Re-reeled:		
White, S'chow	Bls. 30	Pls. 30.60
Silk, Raw, Steam Filature:		
White, S'hai	Bls. 355	,, 353.04
Silk, Raw Filature:		
Wild, Antung	Bls. 170	,, 176.62
Silk, Raw Reeled from Doupions:		
Shanghai	Bls. 300	Pls. 299.69
Beans		,, 375
Bristles, Assorted		,, 50
Cotton Rags		,, 1,478
Egg Albumen, Dried		,, 39
Egg Yolk, Dried		,, 206
Feathers, Duck		,, 76
Feathers, Duck Down		,, 46
Nutgalls		,, 672
Seed, Sesamum		,, 36

PRESIDENT JEFFERSON, December 4.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk, Raw, Steam Filature:		
White, S'hai	Bls. 88	Pls. 87.44
Yellow, Hankow etc.	Bls. 25	,, 25.40
Silk, Waste, Refuse:		
Shanghai	Bls. 24	,, 79.04
Silk, Pongees, Honan		,, 17.02
Tea, Black:		
Congou, Hankow		,, 2
Other kinds, Hankow		,, 162
Other kinds, Kiukiang		,, 46
Tea, Scented, Shanghai		,, 3
Antimony, Oxide		,, 336
Books, Printed		,, 13
Chinaware, Coarse		,, 21
Chinaware, Fine		,, 98
Egg Yolk, Dried		,, 84
Feathers, Duck		,, 47
Feathers, Goose		,, 74
Hair, Human		,, 247
Horsehair		,, 100
Intestines, Pig, Salted		,, 19
Oil, Wood		,, 1,213
Walnuts Kernels		,, 206
Wool, Sheep's		,, 128
Skins, Lamb, Untanned		Pcs. 7,000
Skins, Weasel, Untanned		,, 2,350
Treasure:		
Gold Bars		Hk. Tls. 1,138,760

Latest New York Stock Exchange Quotations

Market Irregular Jan. 7. Business Done 2,029,190 Shares

1930 High	1930 Low	STOCKS	Monday Jan. 6	Tuesday Jan. 7
354¼	197	Allied Chemical & Dye	257	Unq
110	25	Allied Power & Light	39⅞	39⅜
184½	86	American Can	119½	119⅜
144⅜	60	American Rolling Mill	83	83⅜
130¼	62	American Smelting	75¼	74⅛
310¼	193¼	American Tel. & Tel.	220⅞	218½
235	160	American Tobacco "B"	201	199
199	50	American Water Works	92½	89⅞
140	67½	Anaconda Copper	78½	78
77⅜	30	Atlantic Refining	38¼	38¼
145½	105	Baltimore & Ohio	116¾	115¾
140¾	78¼	Bethlehem Steel	93⅞	94⅝
61⅞	25	Calumet & Hecla	32¼	32⅜
265⅞	187¼	Canadian Pacific Railway	189	189½
92	42⅛	Chesapeake Corporation	64	64
108½	75	Chicago Northwestern	Unq	85
143½	97	Chicago Rock Island	114	114⅛
135	26	Chrysler	Unq	36¾
68⅛	20	Cities Service, Common	Unq	28
140	52	Columbia Gas & Electric	75⅝	74¾
88¾	16⅛	Columbia Graphaphone	30⅞	30
65	20⅛	Commercial Solvents	29⅞	29½
185¼	80⅛	Consolidated Gas of N. Y.	99⅝	99¼
47⅛	18	Continental Oil	23⅛	22⅞
126⅜	70	Corn Products	89½	89⅞
82¼	21¼	Coty, Inc.	28½	27
30⅛	6½	Curtiss Wright, Common	8	8
69⅛	21¼	Davison Chemical	29	Unq
231	80	Du Pont de Nemours	117¾	118
264¾	150	Eastman Kodak Company	178½	176⅛
189	50	Electric Bond & Share	84⅛	82⅝
93½	41½	Erie Railway	57	56⅛
105⅝	17¼	Fox Film "A"	22¼	22¼
403	168⅛	General Electric	245¼	240
81¼	35	General Food	48½	49⅛
91¾	33½	General Motors	41⅛	40⅜
126½	70	General Railway Signal	89¾	88½
82	31½	Gold Dust	38⅞	39
105¼	40⅛	Goodrich Rubber	44	44
154½	60	Goodyear Tire & Rubber	65¼	65
102⅞	43	Granby	58	58½
122¼	80	Great Northern Certificate	Unq	Unq
82⅜	27⅞	Haygart	Unq	36¼
102¼	48	International Cement	57	57
103½	4¾	International Comb. Engine	7¼	6¼
142	65	International Harvester	80¼	80
72¾	25	International Nickel	32½	32½
68⅜	40	International Printers Ink	Unq	48
14¾	4¼	International Products (Com)	Unq	Unq
149¼	53	International Tel. & Tel.	57	73½
242¼	90	Johns Manville	127½	124⅜
104⅞	49⅜	Kennecott Copper	61⅞	60½
157¼	80⅛	Lambert Company	100	99⅞
102¼	65	Lehigh Valley	73	73⅜
106¼	80	Liggett & Myers, "B"	97½	97
24	11½	Madison Square Garden	Unq	Unq
101⅜	46	Missouri Pacific (Com)	88⅜	88⅝
156⅞	45½	Montgomery Ward	46½	46½
62⅞	33¼	Nevada Consolidated Copper	31⅜	31¼
256½	160	New York Central	169¾	168
118⅞	75⅛	Northern Pacific Railway	83½	86⅝
146½	56⅛	Pacific Lighting	76	76½
32½	13	Packard Motor Car	17	16⅜
75½	35	Paramount Famous Lasky	51	51¾
110	72½	Pennsylvania Railroad	73⅛	72¼
30	13⅛	Pennroad Corporation	13¼	13⅜
47	24¼	Phillips Petroleum	35	34⅛
137¾	54	Public Service of New Jersey	85⅛	84⅝
114¾	26	Radio Corporation	43¼	42⅛
58½	28	Raybestos	35⅞	36⅞
147¾	101½	Reading Railway	122	122
66	39	Reynolds Tobacco, "B"	50	49⅞
181	80	Sears Roebuck	86	87⅜
31¾	19	Shell Union	23⅛	23⅛
188	59½	Simmons Company	91	89
93¾	45⅛	Southern California Edison	57¼	56¾
157½	105	Southern Pacific Railway	Unq	120½
243¾	73½	Standard Gas & Electric	115⅞	114
83	43	Standard Oil of New Jersey	65⅝	64⅞
48⅛	31¾	Standard Oil of New York	32⅞	32¾
71⅞	50	Texas Corporation	55⅝	56
85¼	42½	Texas Gulf Sulphur	56½	56
139⅜	58½	Timken Roller Bearing	78⅛	77½
67⅜	20¼	Trans America	43	43⅛
140	59	Union Carbide & Carbon	80	79
297⅝	200	Union Pacific Railway	217⅞	Unq
162	31	United Aircraft & Transport	49⅜	48
20½	6¼	United Dry Docks	Unq	Unq
61⅞	14	U. S. Leather "A"	18⅞	18¼
119½	50½	U. S. Realty & Improvement	60¾	60½
261¾	150	United States Steel	169¼	169
116½	37½	Vanadium	52⅛	51
292⅝	100	Westinghouse E. & M. (Com)	144⅜	145
		Call Money	4½%	4%

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THE CHINA WEEKLY REVIEW

4 AVENUE EDWARD VII *SHANGHAI*

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A Ferry Service across the Yangtse is provided for passengers to and from the Shanghai Nanking Line in connection with the Through Express Trains.

Each train has First, Second and Third class cars, Drawing Room, Dining and Sleeping cars with all modern conveniences in order to meet the demands of the travelling public.

Meals and refreshments are obtainable on the train at any hour.

Every effort is being made to improve this train service by the T. P. R. Admintstration in co-operation with Hankow-Peiping and Lung-hai Lines.

	Time		Station	Time		
	Arr.	Dep.		Arr.	Dep.	
Wed. and/or Sat.	18.35		Peiping		7.00	Mon. and/or Fri.
"	13.59	14.14	Paotingfu	12.01	12.16	"
"	9.33	10.13	Shihkiachwang	16.10	16.50	"
"	5.05	5.40	Shuntehfu	20.40	21.11	"
Tues. and/or Fri.		7.41	Chengchow	8.00		Tues. and/or Sat.
"	17.11		Chengchow		8.20	"
"	14.44	15.15	Kaifeng	10.04	10.34	"
"		6.11	Hsuchowfu	22.25		"
"	5.41		Hsuchowfu		22.40	"
Mon. and/or Thurs.	23.29	23.59	Pengpu	4.13	4.43	Wed. and/or Sun.
Mon. and/or Thurs.		17.30	Pukow	10.49		"

PASSENGER FARE TABLE

		Peiping	Paotingfu	Shihkiachwang	Shuntehfu	Chengchow	Kaifeng	Hsuchowfu	Pengpu	Pukow
Paotingfu	1	8.80								
	2	5.70								
	3	4.15								
Shihkiachwang	1	16.20	8.00							
	2	10.50	5.15							
	3	7.65	3.75							
Shuntehfu	1	22.55	14.55	7.15						
	2	14.65	9.40	4.60						
	3	10.75	6.85	3.30						
Chengchow	1	40.05	31.85	24.65	18.10					
	2	26.00	20.65	15.95	11.65					
	3	19.00	15.10	11.65	8.50					
Kaifeng	1	43.80	35.60	27.80	21.25	3.75				
	2	28.40	23.05	18.05	13.75	2.40				
	3	20.20	16.30	12.70	9.55	1.20				
Hsuchowfu	1	58.95	50.15	42.95	36.40	18.90	15.20			
	2	38.20	32.55	27.85	23.55	12.20	9.85			
	3	25.10	21.05	17.60	14.45	6.10	4.95			
Pengpu	1	69.10	60.30	53.10	46.55	29.05	25.35	10.15		
	2	44.57	39.10	34.40	30.10	18.75	16.40	6.55		
	3	28.40	24.35	20.90	17.75	9.40	8.25	—		
Pukow	1	79.25	71.05	63.25	56.70	39.20	36.10	20.90	10.80	
	2	51.45	46.10	41.10	36.80	25.45	23.40	13.55	7.00	
	3	31.75	27.85	24.25	21.10	12.75	11.75	—	—	

Third class tickets are not booked on home line

ECONOMICAL TRANSPORTATION for *All The People*

Twenty-two years ago, when the Model T was first made, and again in December, 1927, when the new Ford was introduced, the policy of the Ford Motor Company was announced in these words:—

"We will build a motor car for the great multitude. It will be large enough for the family, but small enough for the individual to run and care for. It will be constructed of the best materials, by the best men to be hired, after the simplest designs that modern engineering can devise. But it will be so low in price that no man making a good wage will be unable to own one."

More than eighteen million Ford automobiles have been made since this announcement was first printed. The passing years have brought many changes—in appearance—in performance—in manner of manufacture. But there is one thing that has never changed—the fundamental idea behind the Ford car.

Today, with all its improvements—with all its new beauty of line and color—with all the betterments and changes that have been made during the past twenty-two years—the Ford is still a "motor car for the great multitude."

It is not just a new automobile—not just so many mechanical parts carefully put together to run on wheels—but Progress—Achievement—a part of the very life and fabric of the world.

All of this not merely because of its safety, its comfort, its reliability, its acceleration, its ease of control, but because of a fundamental purpose that is greater than all of these. Because, in larger degree than ever, it provides economical transportation for all the people.

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